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Advancement of women

Security Council
Sixty-first year

Letter dated 23 October 2006 from the Permanent Representative of Sweden to the United Nations addressed to the Secretary-General

I have the honour to forward the report of the High-level meeting, on the theme "Gender justice in Liberia: the way forward", which was organized by Partners for Gender Justice, in cooperation with the Ministry of Gender and Development and the Ministry of Justice of the Government of Liberia, on 9 and 10 October 2006 in Monrovia (see annex). The meeting was co-chaired by Lena Sundh, Ambassador for Conflict Management, Ministry of Foreign Affairs, Sweden, and Ooshara M. Sewpaul, Chief Director, Ministry of Justice and Constitutional Development, South Africa.

I would be grateful if the present letter and its annex could be brought to the attention of the members of the Security Council and be issued as a document of the sixty-first session of the General Assembly, and of the Security Council.

(*Signed*) Anders **Lidén**

06-59404 (E) 031106

Annex to the letter dated 23 October 2006 from the Permanent Representative of Sweden to the United Nations addressed to the Secretary-General

Report of the High-level meeting, on the theme "Gender justice in Liberia: the way forward"

9-10 October 2006

A. Gender Justice in Liberia

1. Liberia is a country emerging from a devastating conflict of nearly 20 years. In 2003 a Comprehensive Peace Agreement (CPA) was signed and in October 2005 the first post-conflict elections were held. The new government, led by Her Excellency Ellen Johnson Sirleaf was inaugurated in January 2006 in accordance with the CPA and the constitution of Liberia. The new government faces an enormous task of leading progress towards the country's recovery after protracted conflict.

2. The requirements of justice, including gender justice, in a post-conflict society are immediate and vast. Liberia is no exception. It is broadly acknowledged that a country's transition from conflict provides unique opportunities to adopt strategies and policies for the re-establishment of rule of law and the promotion of gender equality and gender justice as well as the direct participation of women in the process.

3. Liberia is taking advantage of this window of opportunity. Liberian women were actively involved in the peace process, leading the Mano River Women Peace Network. They participated actively in the election process, electing the first female President in Africa. President Johnson Sirleaf appointed qualified women in several key leadership positions, including the Ministers of Justice; Gender and Development and Finance. Other gains for gender equality include the passing of an inheritance law and a new rape law. Progress also has been made in strengthening national legal, judicial and correctional institutions. However, while a strong Cabinet and national leadership team has been put into place by President Johnson Sirleaf, capacity at levels below Deputy Minister and Assistant Minister is extremely low. Liberian state institutions and mechanisms responsible for ensuring effective human rights protections for citizens, including the police, the judiciary and the justice system, remain fragile and underdeveloped. Court buildings are either non-existent or in a state of disrepair in many counties, while the shortage of qualified national lawyers has contributed to the denial of due process and fair trials for many accused persons. The new Liberian government has made great strides in the last ten months but all agree that there remains a long way to go. The basic needs of the people, including electricity, food, water, sanitation, health care, education, access to justice, etc. are immediate. The challenges are tremendous but Liberia has the political will and commitment to face these challenges and begin to move forward.

4. In the keynote address at the High Level Meeting on Gender Justice, Her Excellency Ellen Johnson Sirleaf expressed her determination:

> My administration is committed to giving Liberian women prominence in all affairs of our country. We are working to empower Liberian women in all areas of our national life. We are drafting new laws and increasing the weight of laws that promote women's rights and deal drastically with crimes against women. We will enforce, without fear of failure, laws against rape recently passed by the national transitional legislature. We will create legal systems that preserve the rule of law, applied to all without fear or failure.

5. It is against this backdrop that the Partners for Gender Justice, co-chaired by Sweden and South Africa, chose to carry out its first official activity in Liberia, in cooperation with Liberia's Ministry of Gender and Development and Ministry of Justice.

B. Partners for Gender Justice

6. The formation of the *Partners for Gender Justice in Conflict Affected Societies* is the direct result of a multi-year process involving ground breaking discussions with women from post-conflict societies regarding the needs and challenges toward achieving gender justice in their societies.

7. In 2001, in response to Security Council resolution 1325 (2000), the United Nations Development Fund for Women (UNIFEM) appointed Ms. Ellen Johnson Sirleaf and Mrs. Elisabeth Rehn as Independent Experts to conduct an assessment on the impact of armed conflict on women and women's role in peace-building. Over the course of a year, the Independent Experts visited 14 conflict-affected areas across the globe. They issued a report of their findings entitled *The Independent Experts' Assessment on the Impact of Armed Conflict on Women and Women's Role in Peacebuilding* (Progress of the World's Women 2002, Vol. 1).

8. In 2004, building on the findings and recommendations of this assessment, specifically in the area of justice, UNIFEM and the International Legal Assistance Consortium (ILAC) organized a Conference on Gender Justice in Post-Conflict Situations, with the theme *"Peace Needs Women and Women Need Justice"*, from 15-17 September in New York City. This Conference brought together women holding key political, legal and judicial positions from over twelve conflict-affected countries, including Liberia, with representatives of Member States, regional organizations and senior UN officials. Also present were representatives from non-governmental organizations, academic institutions, foundations and private entities. The participants shared their views on how resolution 1325 was, or should be, implemented with a particular focus on justice-related activities of national and international actors on the ground. The report of the Conference was brought to the attention of the Security Council and issued as a document of the Council (S/2004/862 of 26 October 2004).

9. The 2004 Conference was followed by a High-Level Meeting: "Building Partnerships for Promoting Gender Justice in Post-Conflict Societies", organized by the Swedish Ministry for Foreign Affairs, in cooperation with UNIFEM and ILAC, from 25-26 August 2005 in Stockholm (S/2005/669 and A/40/444 on 25 October 2005). The 2005 Meeting focused on the recommendations that emerged from the 2004 Conference, and concentrated particularly on how gender justice requirements, within the context of rule of law and post-conflict peace-building, could be best addressed and operationalized in such settings. The report of the

Meeting was brought to the attention of the Security Council and issues as a document of the Council and the General Assembly (S/2005/669 and A/40/444 on 25 October 2005).

10. Recognizing that the UN system does not have sufficient expertise or capacity to alone provide all of the required support, the participants launched a plan for a partnership for gender justice at the 2004 Conference. The 2005 High-Level Meeting concluded with a commitment by Member States present to support and advance the gender justice agenda via the "Partners for Gender Justice" initiative. It was agreed that Sweden and South Africa would act as the first co-chairs of this initiative with support from UNIFEM and ILAC.

11. The Partners for Gender Justice brings together gender and justice at both the government and implementation levels. The expertise and experiences of the South African Ministry of Justice and Constitutional Development with the Swedish Ministry for Foreign Affairs interlinks with the expertise and experience of UNIFEM in gender development and ILAC in post-conflict rule of law assistance to constitute an effective platform for collaboration and support. The main goal of the Partners is to serve as global advocates for the development of gender justice and thus support and encourage and/or initiate discussions, processes and events that prioritize the rule of law and the principles of equality before the law and highlight the specific needs of women in fulfilling these objectives.

C. Overview of the High Level Meeting on Gender Justice in Liberia

12. The High Level Meeting in Monrovia brought together high ranking government officials from the region, donors, non governmental organizations, civil society, the United Nations Mission in Liberia, and the Partners for Gender Justice together with Liberia's Ministers of Justice and Gender and Development. The participants came together to address gender justice needs in Liberia: achievements, challenges and how to ensure that gender justice requirements are taken into account in the national development plan and by all national as well as relevant regional and international actors.

13. This report draws liberally on the voices of experience heard at the Meeting. But the Rapportuer has made no attempt to independently validate the statements made at the Meeting. The Rapporteur was Shelby R. Quast. A copy of the High Level Meeting agenda and list of participants can be found on the ILAC website: www.ilac.se

14. Liberia's efforts in the area of gender justice are part of Liberia's overarching Reconstruction and Development Plan. The national Reconstruction and Development Committee, chaired by the President, oversees the subcommittees for each of the four priority pillars: security; economic revitalization; basic services and infrastructure; and rule of law and good governance. Gender is a cross cutting issue. Gender justice is not a stand alone concept but falls clearly under pillar for rule of law and good governance. This pillar covers national legal, judicial and correctional institutions, legislative and constitutional reforms, decentralization, national reconciliation, human rights and civil service reform.

15. Within this pillar, the Minister of Justice and Minister of Gender and Development have agreed to work together with renewed commitment to create a strategic action plan for rule of law and good governance that mainstreams gender justice issues, and includes the strategic plan for Gender Based Violence. The Ministers are dedicated to continued collaboration to ensure close

cooperation between their Ministries and complementary programs that support the strategic action plan.

16. Moreover, it is essential that there be an effective mechanism to identify and harmonize all justice sector development projects and programs in Liberia, including those focused on gender justice, – at the national, regional and international levels. *Ad hoc* reforms and programs may provide short-term solutions but often can be detrimental to longer-term progress or even work at cross purposes to the national plan. Careful formulation, involving all national actors, of a strategic plan for justice could effectively identify short, medium and longer-term development goals and lay out a plan of action to achieve such goals. The Ministers and donors present agreed that any such plan must be part of a solid national strategy for development of the judicial sector. Additionally, crucial to the effective implementation of a strategic plan is the commitment of the national, regional and international actors to support and work within the plan. The Ministers of Gender and Development and Justice have asked to be informed of all on-going and planned projects for implementation in the areas of justice and gender justice development. It is crucial that the development process be a strategic and holistic one.

17. There have been many assessments and studies of the justice and gender needs of Liberia over the last three years, but little project implementation. There is a new administration in Liberia and national expectations are high. The time has come to begin implementation to address these needs. There is a need for high impact projects and quick gains to assure credibility for the new Government—and there have already been many—but there will be no quick fixes. The national, regional and international actors must all realize that this is a long-term process. If Liberia is to move forward, there must be a long-term commitment to the development process.

18. The High Level Meeting on Gender Justice and the resulting report focus primarily on issues addressing gender justice but within the broader justice sector. Implementation of the proposed programs and projects assume concurrent development across all of the priority pillars. Where appropriate, the priority requirements are grouped under the same thematic clusters as the 2004 Gender Justice Conference and 2005 High Level Meeting. Priority requirements, on-going programs, and assistance needed are listed for each cluster.

C. Priority Requirements and Assistance Needed

I. Reform of National Laws (including Customary/Traditional Systems of Law) and Constitutions to address Discriminatory Practices and Gaps and to Advance the Protection of Women's Rights in Conformity with International Law

19. There is a need to thoroughly review the laws of Liberia for compliance with the Constitution and ratified international instruments as well as conformity with international laws. Gaps and discriminatory practices must be identified so that once the law reform commission is in force these issues can be addressed. The South Africa Law Review Commission, established in 1973, is an active and well-respected institution. It was suggested that Liberia review the activities and best practices of the South African Law Review Commission and others for potential application in Liberia.

20. There are obligations that come with ratification of international and regional instruments and it was made clear that the new Government of Liberia takes these responsibilities seriously.

Liberia acceded to the Convention on the Elimination of all Forms of Violence Against Women (CEDAW) in 1984 but has never submitted initial or subsequent periodic reports. It is also a party to the African Charter on Human and Peoples' Rights (ACHPR) and ratified the Protocol on the Rights of Women in Africa in 2005.

Programs: A delegation of CEDAW Committee experts traveled to Liberia in June to work with the Ministers and others to regarding the reporting requirements for CEDAW.

Assistance needed: There is a need for technical assistance to comply with reporting and record keeping requirements attached to international instruments.

21. There is an urgent need for an in-depth review of the laws of the Hinterland for compliance with the Liberian Constitution, international standards and treaty commitments. While the Minister of Justice honors the customs of the people of Liberia, she cannot condone customs in violation of the organic law or the Constitution of Liberia. The laws of the Hinterland are generally administered in traditional courts and fall under the responsibility of the Ministry of the Interior, not the Ministry of Justice. Many of these laws have a particularly adverse effect on the rights of women. Moreover, former male child soldiers are now taking leadership roles in the traditional justice system; these men have little or no training and are often unaware of the laws. There is a concern that if these young untrained former soldiers are put in positions of power there will be no justice, let alone gender justice.

Assistance needed: There is a need for technical assistance in reviewing and analyzing the traditional system of laws, customs and practices within the Liberian culture for compliance with the Liberian Constitution, international standards and treaty commitments.

Programs: OXFAM has a program working with a local NGO to inform traditional leaders of gender issues and international human rights standards.

22. The public must be involved in the process of law reform. There is an ongoing need for civic education to sensitize and inform the public about the Liberian laws, international commitments, standards, etc. and how they affect their daily lives. New laws regarding inheritance and rape were recently passed but few people outside the capital know the content of these laws or how they may affect their lives.

Programs: Women's organizations, including the Association of Female Lawyers of Liberia (AFELL), are advocating for a program of dissemination of laws and legal assistants in the counties.

Assistance needed: Donor partners are needed to get this program off the ground by providing resources and capacity building for local NGOs and women in the counties.

II. Ending Impunity for Crimes Against Women and Creating an Environment of Accountability, Reconciliation and Tolerance: Establishment of More Gender-Sensitive Justice and Transitional Justice Mechanisms and Provisions of Reparation and Rehabilitation Services to Victims

23. Serious war crimes and crimes against humanity, including systematic rape and other forms of sexual violence were committed during the Liberian conflict. Thousands of women and girls were affected. A Truth and Reconciliation Commission (TRC) was inaugurated in February 2006 and launched its operations in June 2006. The TRC has the broad purpose of promoting national peace, security, unity and reconciliation. The first operational activity of the TRC has been the recruitment and deployment of statement takers to all the counties in the country. Their training included a component on gender issues and perspectives. Much more training and technical assistance will be required to ensure that women participate fully in this transitional justice mechanism. The partnership of women organizations and community based groups is imperative.

Assistance needed: Donor partners are needed to get the TRC off ground by providing resources and capacity building programs.

24. Rape and gender based violence are still problems of massive proportion in Liberia. Rape cases of women, girls and even infants are increasing but few cases are prosecuted. There are many factors that contribute to the problem including a scarcity of prosecutors; shortage of and lack of respect for police officers; lack of victim support programs; lack of effective complaint procedures; problems with court administration and scheduling court dockets.

Assistance needed: Support for a long term, wide-spread campaign, involving Government, civil society, NGOs, churches, schools, community leaders, fathers, sons, and brothers, to end impunity for crimes against women and create an environment of accountability and tolerance.

Donor support needed for "Women and Child Protection Units" in Liberian National Police Force Stations and further expansion into the counties.

Technical assistance needed to create and training police in effect complaint taking system.

Programs: The Ministry of Gender and Development is working on a National Gender Based Violence Plan.

ABA has a planned project to establish victim support centers for victims of Gender Based Violence.

PAE has a program to strengthen court administration procedures.

PAE has a program to train court reporters. ILAC has a complementary program to train additional court reporters, including a number of women.

ILAC has a program to train prosecutors in human rights, including gender issues.

25. In 2005 a new Rape Law was passed, expanding the traditional definition of rape to include a variety of other previously unrecognized sexual violations. The new law provides tough measures for gang rape by making it a first degree felony and a non-bailable offence. In 2003 the Act to Govern the Devolution of Estates and Establish the Rights of Inheritance for Spouse of Both Statutory and Customary Marriages was passed. The Act prohibits compulsory bride wealth, forbids subjecting a wife to compulsory labor, and outlaws non-consensual or forced marriages. Women married under civil law can now inherit land and property. Extensive dissemination of information and rights contained in these laws in needed. Training programs designed to sensitize participants to the content of the laws as well as effective enforcement should be wide spread and include not only women but judges, prosecutors, defense attorneys private lawyers, the police, law students, etc.

Assistance needed: Build capacity of local NGOs through a train the trainers programs and provision of resources for dissemination of the information contained within the laws.

26. There is a huge backlog in the courts. One proposal to deal with the backlog and the increasin number of rape cases is to create a 'fast track' court system for cases of rapes and gender based violence. South Africa, widely reported to have one of the highest incidence of rape in th world, in 2003 set up dedicated rape courts, with specially trained prosecutors and judges, whi are achieving much higher convictions than the regular courts. It was discussed that it could b beneficial for Liberia to liaise with South Africa and others regarding dedicated rape courts to determine if this could be part of a solution for Liberia.

III. Rehabilitation and Reform of the Judicial Infrastructure, Institutions (including Staffing and Service Conditions), and Processes to enhance the Involvement of Women and thei Access to Justice

27. There is an obvious need to increase legal literacy throughout Liberia; this is particularly evider in the counties. A program of legal assistants, or paralegals, could be utilized in the dissemination of information regarding rights, laws, how to redress a grievance, where to obtain legal assistance, etc. There are networks of women in the outlying counties, who are well integrated in their communities that could be trained as legal assistants/paralegals. Both South Africa and Kenya discussed the success of paralegal advice programs in their countries; paralegal offices that help citizens understand their rights and how they work. Many people living in the rural areas don't know their rights and perceive government to be only for the elite. Legal aid and paralegal programs in South Africa, Kenya, and other countries in the Africa regio could be reviewed for best practices and potential application within Liberia.

Assistance needed: Donor partners are needed to get this program off the ground by providing resources and capacity building for women in the counties.

Programs: Women's organizations, including the Association of Female Lawyers of Liberia (AFELL), are advocating for a program of dissemination of laws and legal assistants in the counties.

28. Alternative dispute resolution is another alternative to the formal justice system, particularly in rural areas. Certain disputes, such as those involving land, trade or between tribes could be particularly appropriate for mediation or arbitration. The creation of alternative channels for

resolution of disputes must be accompanied by programs that educate and inform the people regarding the use of such mechanisms. South Africa has a very successful network of "Restorative Justice Centres" in all urban centres and many rural communities that assist with resolving disputes outside the court system. These centres as well as other mechanisms for alternative dispute resolution should be examined and analyzed for best practices and potential application in Liberia.

IV. Increased Employment of, and Specialized Training for, Women Judges, Prosecutors and Lawyers (including as Defense Counsel) as well as the Provision of Legal Education and Assistance for Female Citizenry

29. There is a general scarcity of trained judges, prosecutors, defense attorneys and private lawyers in Liberia, both women and men. The majority of those that are trained are employed by the United Nations Mission in Liberia or international NGOs, leaving only approximately 100 lawyers to serve nearly two million Liberians.

There is an urgent requirement to address this dearth of available expertise, for short, medium and longer term development.

Assistance needed: Donor partners are needed to help provide for the additional prosecutors and defense attorneys needed to address the existing backlog and increasing number of cases.

Programs: UNMIL has provided additional prosecutors to the Ministry of justice for a limited time.

PAE has a program to prosecutor mentoring program to strengthen capacity.

30. For longer term development assistance is needed to strengthen the legal education. This includes supporting the law school so that students are properly educated and prepared to become competent and contributing members of Liberian society, including reviewing the curriculum, bolstering the faculty with experienced law professors, expanding the library and increasing legal resource materials, providing full scholarships to qualified students, including girls, upon a commitment to practice in the outlying, etc. Additionally, it was proposed that issues regarding gender justice could be included in the curriculum of the universities and become part of teacher training programs to raise awareness of gender justice among the faculty and student body through collaboration with the Consortium of Liberian Universities.

Programs: ABA is planning to establish a student legal clinic attached to the Arthur Grimes School of Law.

31. There is a scarcity of law books in Liberia. Many judges, prosecutors and lawyers are practicing without benefit of law books. Most law students are attending the law school without benefit of law books. Many of the Ministries do not have access to the laws of Liberia and it is questionable whether anyone in the outlying counties has access to the laws of Liberia. While several sets of books are in the process of being printed and sent to Monrovia, this is not a solution and only furthers the concept that the laws are only for the elite. In addition to the limited set of law books, the Government of Liberia needs assistance with making these laws freely available on-line and in DVD format.

Assistance needed: The Government of Liberia needs technical assistance and resources to make the laws of Liberia freely available on-line and in DVD format.

Programs: The ABA and PAE are providing several sets of law books to the Law School, Ministry of Justice, Parliament, and others.

32. Additionally, the impact of the United Nations and other international implementers on national capacity should be examined. Are international assistance programs inadvertently depleting national capacity by hiring Liberian professionals away from the government and national organizations and paying them a higher salary than the national budget can support?

V. Collaboration and Coordination among Regional and International Partners

33. The conference allowed for a valuable exchange of information regarding the challenges and achievements in gender justice faced by Liberia's neighbors and countries with similar recent histories: Sierra Leone, Cote D'Ivoire and Southern Sudan. The participants expressed their desire to continue such dialogue and to create an open channel for a process of continued collaboration and information sharing throughout the region.

34. South Africa has experienced many challenges, obstacles and successes in its post-Apartheid development, many of which are similar to those Liberia is now experiencing. South Africa has history of collaborating with its African neighbors and has programs in Sierra Leone, Southern Sudan, Zambia, Kenya, and Tanzania. Sweden, too, has a history of providing support to many countries in the areas of gender development and programs to combat gender-based violence, including South Africa. South Africa and Sweden, both individually and as the Co-Chairs of the Partners for Gender Justice, are dedicated to continuing the process of collaboration begun in Monrovia. ILAC and UNIFEM are committed to expanding their programs to support the Liberi National plans to achieve gender justice in Liberia.

35. Six years ago, the Security Council adopted resolution 1325 (2000) underscoring the significanc of mainstreaming gender justice and gender equality in conflict prevention, conflict resolution ar peacebuilding processes. In 2001–2002 the women of Liberia were actively involved in the peace process and were part of the efforts that led to the 2003 Comprehensive Peace Agreement. In 2005, the women of Liberia were actively involved in the election process and it was largely their efforts that resulted in the election of the first female president in Africa. The women of Liberia are now actively involved in governance, with a female president and women key cabinet posts. This report highlights the priority requirements and assistance needed that pave the long way forward toward achieving gender justice and equality for the women, men an children of Liberia.

D. Initial Meeting Outcomes

36. South Africa and the Ministers of Justice and Gender and Development are discussing a proposed visit by a Liberian delegation to South Africa to visit various South African institutions Commissions and centers.

37. ILAC has brought the need for a program to provide resources and training to build the capacity of legal assistants/paralegals in the counties to the attention of certain donors, which was received positively.

38. ABA will host a training seminar in Monrovia on gender based violence.

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Question of Cyprus

Security Council
Sixty-first year

Letter dated 25 October 2006 from the Permanent Representative of Cyprus to the United Nations addressed to the Secretary-General

Upon instructions from my Government, and further to the letter from Andreas Hadjichrysanthou, Deputy Permanent Representative of the Republic of Cyprus to the United Nations, dated 25 August 2006 addressed to you (A/60/991-S/2006/691), I have the honour to draw your attention to new violations of international air traffic regulations and the national airspace of the Republic of Cyprus by military aircraft of the Turkish air force, recorded from 4 August to 13 October 2006.

On 4 August 2006, one Black Hawk UH60 Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus twice.

On 7 August 2006, one CN-235, one Black Hawk and one Cougar Turkish military aircraft violated international air traffic regulations five times and the national airspace of the Republic of Cyprus five times.

On 21 and 22 August 2006, one C-160 and one C-130 Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus once.

On 22 August 2006, two C-160 Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus twice.

On 23 August 2006, one C-130 Turkish military aircraft violated international air traffic regulations three times and the national airspace of the Republic of Cyprus twice.

On 24 August 2006, one C-160 and one CN-235 Turkish military aircraft violated international air traffic regulations four times and the national airspace of the Republic of Cyprus twice.

On 25 August 2006, one Cougar Turkish military aircraft took off from the illegal airport of Krini, violating international air traffic regulations and the national

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airspace of the Republic of Cyprus, before landing at the Kokkina pocket, from where it returned on the same day to the Krini airport.

On the same day, one AB-205 Turkish military aircraft took off from the illegal airport of Krini, violating international air traffic regulations and the national airspace of the Republic of Cyprus, before returning to the same airport.

On 31 August and 5 September 2006, one C-160 and one Turkish military aircraft of unknown type violated international air traffic regulations twice and the national airspace of the Republic of Cyprus twice.

On 6 September 2006, 38 Turkish military aircraft of unknown type coming in 12 formations, one Cougar and one C-160 Turkish military aircraft violated international air traffic regulations 12 times and the national airspace of the Republic of Cyprus three times, as follows:

(a) the 12 formations of Turkish military aircraft coming from the flight information region (FIR) of Ankara entered the FIR of Nicosia, carrying out the "Anatolu Kartali" exercise, violating the national airspace of the Republic of Cyprus 12 times, before exiting towards the FIR of Ankara;

(b) the Cougar Turkish military aircraft took off from the illegal airport of Krini, violating international air traffic regulations and the national airspace of the Republic of Cyprus, flying over the occupied area of Karpasia, before returning to the same airport;

(c) the C-160 Turkish military aircraft entered the FIR of Nicosia, violating the international air traffic regulations and the national airspace of the Republic of Cyprus, flying over the occupied area of Mesaoria before landing at the illegal airport of Tymbou, from where it departed on the same day towards the FIR of Ankara.

On 7 September 2006, 20 F-16, six F-4 and one CN-235 Turkish military aircraft coming from the FIR of Ankara entered the FIR of Nicosia in eight formations, violating international air traffic regulations nine times and the national airspace of the Republic of Cyprus 12 times, before exiting towards the FIR of Ankara.

On 8 September 2006, one B-200 Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus twice.

On 10, 12, 13 and 14 September 2006, one Cougar and one C-160 Turkish military aircraft violated international air traffic regulations five times and the national airspace of the Republic of Cyprus five times.

On 19 September 2006, one CN-235 and one Cougar Turkish military aircraft violated international air traffic regulations five times and the national airspace of the Republic of Cyprus five times.

On 20 and 21 September 2006, three CN-235 Turkish military aircraft violated international air traffic regulations three times and the national airspace of the Republic of Cyprus twice.

On 22 September 2006, five CN-235, two F-16 and one Cougar Turkish military aircraft violated international air traffic regulations six times and the national airspace of the Republic of Cyprus six times.

On 27 and 28 September 2006, six F-16, two C-160 and two Cougar Turkish military aircraft violated international air traffic regulations seven times and the national airspace of the Republic of Cyprus seven times.

On 4 October 2006, one CN-235 Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus twice.

On the same day, one C-130 and one Cougar Turkish military aircraft violated international air traffic regulations three times and the national airspace of the Republic of Cyprus three times.

On 6, 8 and 9 October 2006, one CN-235, one F-16 and one Cougar Turkish military aircraft violated international air traffic regulations four times and the national airspace of the Republic of Cyprus three times.

On 10 October 2006, one CN-235, one C-160 and one Cougar Turkish military aircraft violated international air traffic regulations five times and the national airspace of the Republic of Cyprus four times.

On 11 October 2006, one C-130 and one Cougar Turkish military aircraft violated international air traffic regulations six times and the national airspace of the Republic of Cyprus five times.

On 12 October 2006, two CN-235 Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus once.

On 13 October 2006, one CN-235 and one Cougar Turkish military aircraft violated international air traffic regulations twice and the national airspace of the Republic of Cyprus twice.

On behalf of my Government, I strongly protest the aforementioned violations and call for their immediate cessation. Turkey's policy of persistently breaching international law and defying international rules and regulations gravely jeopardizes the safety of international civil aviation and the stability of the region.

Moreover, Turkey's systematic attempts to undermine the sovereignty and unity of the Republic of Cyprus by promoting an illegal secessionist entity, arrogating, inter alia, to itself the right to control part of our airspace, further complicates the efforts to build trust and confidence between the two sides and resume negotiations. Such actions are yet further evidence of Turkey's sole objective, namely to consolidate the existing division of the island and sustain its military presence in Cyprus in perpetuity.

I should be grateful if the text of the present letter could be circulated as a document of the sixty-first session of the General Assembly, under agenda item 19, and of the Security Council.

(*Signed*) Andreas D. **Mavroyiannis**

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The situation in the Middle East

Security Council
Sixty-first year

Identical letters dated 27 October 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

On the instructions of my Government, I transmit to you herewith a list of Israeli acts of aggression against Lebanon and violations of Security Council resolution 1701 (2006) that took place between 15 October 2006 and 22 October 2006 (see annex).

I should be grateful if you would have this letter and its annex circulated as a document of the sixty-first session of the General Assembly, under agenda item 13, and of the Security Council.

(*Signed*) Caroline **Ziade**
Chargé d'affaires a.i.

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Annex to the identical letters dated 27 October 2006 from the Chargé d'affaires a.i. of the Permanent Mission of Lebanon to the United Nations addressed to the Secretary-General and the President of the Security Council

Date: 21 October 2006

Summary

Israeli violations and acts of aggression that took place between 15 October 2006 and 22 October 2006

Air violations

Between 1100 hours and 1415 hours on 17 October 2006, an enemy Israeli reconnaissance aircraft violated Lebanese airspace and overflew the area of Bint Jbeil.

Between 2055 hours and 2110 hours on the same day, an enemy Israeli reconnaissance aircraft violated Lebanese airspace and overflew Jabal Maroun (north-west of Borj Qalaouay).

Between 2315 hours on 17 October 2006 and 0215 hours on 18 October 2006, an enemy Israeli reconnaissance aircraft violated Lebanese airspace and overflew the sea off Al-Bayada. It circled over the areas of Bint Jbeil, Al-Bayada, Rmaich, Aalma al-Chaab and Al-Naqoura and left Lebanese airspace over Aalma al-Chaab.

Between 0945 hours and 1000 hours on 18 October 2006, an enemy Israeli reconnaissance aircraft violated Lebanese airspace and circled over Jabal Maroun (north-west of Borj Qalaouay).

Between 1005 hours and 1312 hours on the same day, an enemy Israeli reconnaissance aircraft violated Lebanese airspace and overflew the sea near the area of Al-Bayada in an easterly direction. It circled over the southern areas and left Lebanese airspace over Aalma al-Chaab.

Between 1300 hours and 1445 hours on the same day, enemy Israeli warplanes violated Lebanese airspace and overflew, at very high altitude, the areas of Al-Naqoura and Bint Jbeil.

Between 1359 hours and 1615 hours on the same day, an enemy Israeli reconnaissance aircraft violated Lebanese airspace and overflew the sea off the city of Sour in an easterly direction. It circled over the southern areas and left Lebanese airspace over Aalma al-Chaab.

Land violations

Between 1020 hours and 1755 hours on 15 October 2006, six Israeli civilians entered Lebanese territory headed towards a former resistance outpost in the town of Al-Ghajar.

Between 0925 hours and 1830 hours on 17 October 2006, four Israeli civilians entered Lebanese territory headed towards a former resistance outpost in the town of Al-Ghajar.

At 1200 hours on the same day, enemy Israeli troops were operating an excavator on the side of the road near the barbed-wire fence inside occupied Palestinian territory opposite the towns of Kfar Kila and Aadaisse. They proceeded, in the presence of a Spanish patrol operating as part of the United Nation Interim Force in Lebanon (UNIFIL), to extend the excavator's arm over the aforementioned fence into Lebanese territory and dug a passage to collect the rainwater without going through the fence.

At 0800 hours on 18 October 2006, a cluster bomb left behind in the wake of the Israeli aggression exploded, hitting livestock on the outskirts of the town of Blida.

Between 1305 hours and 1735 hours on the same day, three Israeli civilians entered Lebanese territory headed towards a former resistance outpost in the town of Al-Ghajar.

At 2245 hours on the same day, enemy Israeli troops carried out night exercises inside occupied Palestinian territory along the line between Metulla settlement and the Shab'a Farms. At 2245 hours, those troops fired a flare shell from their headquarters in the occupied Shab'a Farms. At 2310 hours, vehicles were heard moving inside the occupied Palestinian territories opposite the town of Ramiye.

Between 0950 hours and 1650 hours on 19 October 2006, four Israeli civilians entered Lebanese territory headed towards a former resistance outpost in the town of Al-Ghajar.

At 1515 hours on 20 October 2006, a cluster bomb left behind in the wake of the recent Israeli aggression exploded, injuring Ibrahim Salmani on his left foot. He was taken to Jabal Amil Hospital for treatment.

Between 1130 hours and 1720 hours on 22 October 2006, a Poclain excavator belonging to enemy Israeli forces was observed being used to reinforce the Rouaisset al-Aalam outpost inside the occupied Shab'a Farms.

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Review of the efficiency of the administrative and financial functioning of the United Nations

Programme budget for the biennium 2006-2007

Enhancing the role of the subregional offices of the Economic Commission for Africa

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on enhancing the role of the subregional offices of the Economic Commission for Africa (ECA) (A/61/471). The report was submitted in compliance with paragraph 12 of General Assembly resolution 60/235, in which the Assembly requested the Secretary-General to prepare a plan of action to strengthen the subregional offices of ECA and to ensure the full implementation of the recommendations made by the Office of Internal Oversight Services (OIOS) in its report on the inspection of programme and administrative management of the subregional offices (A/60/120).

2. OIOS has made 14 recommendations aimed at strengthening the capacity of subregional offices through: a more focused programming of their activities; the improved dissemination of information, emphasizing electronic means; a closer alignment of staff skills and expertise with subregional priorities; the consistent maintenance of staff strength at budgeted levels; the strengthening of administrative support to subregional offices; and the introduction of reliable mechanisms for cooperation among subregional offices and between subregional offices and ECA headquarters.

3. The Advisory Committee notes that in early 2006, the new Executive Secretary of ECA also undertook a comprehensive review with a view to repositioning the organization to better respond to the challenges facing Africa. The outcome of the review concurs with the conclusions of OIOS and prescribes a refocusing of the mandate and the mission of the subregional offices, the improvement of their products, services and delivery models, the development of new partnerships and the strengthening of the use of information and communication technologies.

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4. The action plan presented in the report under consideration (A/61/471) is formulated on the basis of the recommendations of OIOS and the conclusions of the comprehensive review. It sets out the Commission's proposals for implementing strategic reforms, including a governance framework and a new organizational structure, as well as clarifications on the mandate and mission of the subregional offices, the services they are expected to provide and the expected results. Specific actions to be taken in respect of the OIOS recommendations, with time frames and lines of managerial responsibility, are described in annex II to the report. The report also outlines the additional post and non-post resources required to implement the recommendations of OIOS and to support the additional activities stemming from the proposed enhancements of the mandate and mission of the subregional offices and the repositioning of ECA. These relate essentially to increased operational activities, the improvement of information and communication technology systems and expanded training requirements. The Advisory Committee notes that the implementation of the action plan is already under way, with activities planned during the bienniums 2006-2007 and 2008-2009. ECA expects to fund the additional resources required during the current biennium through redeployment of both staff and non-post resources to the subregional offices.

5. With respect to human resources, ECA indicates that it plans to deploy up to 30 per cent of its staff to the subregional offices and that this proportion, which was 21.1 per cent prior to the repositioning exercise, has increased to 22.2 per cent. However, the Advisory Committee was informed that ECA did not anticipate that the targeted level of 30 per cent could be reached in the biennium 2008-2009. **The Advisory Committee requests that progress towards the achievement of this target is monitored and included in future reports.**

6. It is proposed to increase the total staffing of subregional offices by 15 posts, including 13 Professional and 2 Local level posts, and to add 1 Professional post in the Office of the Executive Secretary to coordinate the activities of the subregional offices. Of these, ECA intends to redeploy five Professional and the two Local level posts from existing resources during the current biennium and to request resources for the nine remaining new posts to be created in the subregional offices in the 2008-2009 budget proposal. Upon request, the Advisory Committee was provided additional information on the proposed subregional office staff levels in 2006-2007 and in 2008-2009 showing that the total number of posts in the subregional offices would increase from 83 at present to 90 at the end of the biennium 2006-2007 and 98 in the biennium 2008-2009 (see annex I). ECA also indicated that at the end of August 2006, the vacancy rate at the Professional level stood at 16 posts, or 7.2 per cent, and at 0 per cent for local staff.

7. The Advisory Committee notes that an estimated additional $280,000 in non-post resources is required by each subregional office to fulfil its enhanced responsibilities during the current biennium, to be funded through redeployment of both regular and extrabudgetary resources. Upon request, the Committee was provided additional information indicating that as of September 2006, $116,000 had been identified for redeployment to subregional offices from regular budget non-post resources and a further $342,117 had been raised in extrabudgetary funds for two subregional offices. ECA indicated that efforts to identify additional resources for redeployment continued and that following the repositioning exercise and the adoption of a resource mobilization strategy, it expected to increase the level of extrabudgetary resources raised during 2007. The Committee notes that in the

current biennium, the average regular budget non-post resources for each subregional office amount to approximately $800,000 and that ECA had expected to raise some $2.3 million in extrabudgetary funds for the subregional offices.

8. In its report, OIOS highlighted the importance of information and communication technology to support information dissemination and outreach, improved integration with United Nations agencies in the subregions as well as improved coordination between ECA headquarters and the subregional offices. The actions proposed by ECA to strengthen the information and communication technology infrastructure and connectivity of the subregional offices as well as to improve the information content, services and products to be provided are outlined in annex II to the report of the Secretary-General (A/61/471), under the responses to OIOS recommendations SP-04-002-001, SP-04-002-003, SP-04-002-004, SP-04-002-005, SP-04-002-008 and SP-04-002-010. The Committee notes that most of these actions are planned to be completed during the biennium 2006-2007. Upon request, the Committee was provided additional information indicating that the costs for the enhancement of information and communication technology facilities of the subregional offices, including the acquisition of equipment and software, expert services to configure and install the computers and on-site training were estimated at some $250,000, which would be obtained through redeployment of existing resources to the extent possible. ECA provided additional details on the status of information and communication technology enhancements implemented during 2005 and 2006, which are contained in annex II to the present report.

9. The Advisory Committee notes that a framework for developing separate subprogrammes of work for each subregional office in the biennial budgets, with specific expected accomplishments and other elements of the logical framework, is proposed in annex II to the report of the Secretary-General (A/61/471), under the actions to be taken for recommendation SP-04-002-002.

10. **The Advisory Committee welcomes the results achieved in terms of improved vacancy rates, which have decreased from over 20 per cent and 6 per cent in 2003 to 7.2 per cent and 0 per cent for Professional and General Service posts, respectively (see para. 6 above). The Committee appreciates the efforts of ECA and its senior management to address the recommendations made by OIOS and the conclusions of its own review on the repositioning of the Commission, providing details on the actions to be undertaken in response to the recommendations of OIOS, estimated time frames and the designation of the responsible managers. However, the Committee is of the view that the analysis of OIOS, the comprehensive review of the Executive Secretary of ECA on the repositioning of the organization and the current policy aimed at achieving a significant shift towards operational rather than analytical work raise fundamental questions about the respective roles of the ECA headquarters and the subregional offices, as well as their integration with the other United Nations entities present in the subregions. It urges ECA to continue to review and define the role of the subregional offices in the context of the repositioning of ECA as a whole, with a view to achieving synergies and optimizing the use of existing resources with a greater balance between ECA headquarters subregional offices.**

11. **The Advisory Committee points out that at this stage, the estimates outlined for additional post and non-post resources for strengthening the**

resource base of the subregional offices are preliminary. It requests that the budget proposals to be established for the biennium 2008-2009 identify a clear linkage between the requested financial or human resources and the mandated activities. The number and level of posts requested should be fully justified and supported with a convincing analysis of what can realistically be carried out in the budget period. Furthermore, the budget document should indicate how the capacity already available at ECA has been taken into account when formulating requests for additional resources. An analysis of the possible impact of extrabudgetary funds on resource requirements should be included. The results achieved and lessons learned with respect to the actions undertaken during the current biennium should be carefully analysed and incorporated into the proposals for the next budget submission.

12. **The General Assembly may wish to note the actions already taken to implement the OIOS recommendations concerning the programme and administrative management of the subregional offices of the Economic Commission for Africa (A/61/471), without prejudice to such recommendations as the Advisory Committee may make on future proposals for resources and reorganization in the context of the ECA budget proposals for the biennium 2008-2009.**

Annex I

Enhancing the role of the subregional offices of the Economic Commission for Africa

Staffing table session 17A	*2006-2007*			*2008-2009*	
	Initial approved	*Proposed revised*	*Total proposed after redeployment*	*Proposed new posts*	*Total*
Policymaking organs	—	—	—	—	—
Executive direction and management	11	3	14	1	15
Information and communication services	8	—	8	—	8
Subtotal	**19**	**3**	**22**	**1**	**23**
Programme of work					
Subprogramme 1. Facilitating economic and social policy analysis	26	(10)	16	—	16
Subprogramme 2. Fostering sustainable development	27	(4)	23	—	23
Subprogramme 3. Strengthening development management	27	0	27	—	27
Subprogramme 4. Harnessing information for development	25	1	26	—	26
Subprogramme 5. Promoting trade and regional integration	35	(9)	26	—	26
Subprogramme 6. Promoting the advancement of women	20	5	25	—	25
Subprogramme 7. Supporting subregional activities for development					
Subregional office (North)	17	2	19	1	20
Subregional office (West)	16	1	17	2	19
Subregional office (Central)	16	2	18	1	19
Subregional office (Eastern)	17	—	17	2	19
Subregional office (South)	17	2	19	2	21
Subtotal, Subregional offices	**83**	**7**	**90**	**8**	**98**
Subprogramme 8. Development planning and administration	—	—	—	—	—
Subprogramme 9. Statistics	17	—	17	—	17
Subtotal, Programme of work	**260**	**(10)**	**250**	**8**	**258**
Programme support	221	6	227	—	227
Office of Strategic Planning and Programme Management	20	1	21	—	21
Subtotal	**241**	**7**	**248**	**—**	**248**
Grand total	**520**	**—**	**520**	**9**	**529**

Annex II

Information and communication technology enhancements implemented in subregional offices in 2005 and 2006

1. Implemented VSAT installation with full indoor and outdoor equipment allowing:
   - Improved access to the Internet
   - Access to the Intranets of United Nations Headquarters, ECA and other United Nations offices
   - Access to the private telephone system of ECA with access to inter-mission links and less expensive long-distance service providers
   - Access to enterprise applications, such as IMDIS, ePAS, Galaxy, IMIS and ODS.
2. Delivered satellite modems to improve connectivity and enable videoconference service.
3. Replaced all network switches and routers to improve connectivity via VSAT.
4. Installed Ericsson PABX in all subregional offices and delivered new telephone sets with state-of-the-art billing systems.
5. Provided videoconferencing equipment, television screens, videoconferencing cameras and document cameras.
6. Provided 10-15 desktop personal computers to each subregional office.
7. Provided seven laptops to the subregional offices.
8. Provided a network printer to each subregional office.
9. Provided a mid-level server to replace and upgrade old Lotus/Domino servers.
10. Upgraded the Lotus Notes systems in all subregional offices to version 6.5.1.
11. Replaced outdated servers in all subregional offices.
12. Installed a Citrix application server in ECA headquarters and Citrix clients in subregional offices for IMIS access in the field.
13. Provided content engines for content management.

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United Nations pension system

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the United Nations Joint Staff Pension Board,[1] including the report of the Board of Auditors on the accounts of the Fund for the biennium ended 31 December 2005. The Committee also had before it the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and steps and efforts undertaken to increase the diversification of the Fund (A/C.5/61/2) and a note by the Secretary-General on the membership of the Investment Committee. During its consideration of those matters, the Committee met with the Chairman of the Pension Board, the Representative of the Secretary-General and the Chief Executive Officer of the Pension Fund.

2. Recommendations and decisions of the Board at its fifty-third session that required action by the General Assembly are listed in paragraph 11 of the report of the Pension Board.[1] Paragraph 12 of the report contains information provided to the General Assembly on other action taken by the Board. **The Committee welcomes the fact that, in response to its previous recommendation (see A/59/447, para. 2), the report of the Pension Board has become more concise, straightforward and easier to read. At the same time, the Committee is of the view that there is room for further improvements in the format. Efforts should be made to not scatter information on the same subject matter in various parts of the report,[2] but rather should reflect it, as appropriate, under a particular part of the report.**

[1] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 9* (A/61/9).

[2] Ibid., paras. 69, 83, 246-249, for example, on the asset-liability management study.

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II. Actuarial matters

3. The Pension Board deals in paragraphs 16 to 59 of its report[1] with actuarial matters, including the results of the twenty-eighth actuarial valuation of the Fund, as at 31 December 2005. The previous valuation had been prepared as at 31 December 2003, and its results were reported to the General Assembly at its fifty-ninth session in 2004. The actuarial valuation determines whether the present and estimated future assets of the Pension Fund will be sufficient to meet its liabilities.

4. As indicated in the report, in projecting future developments, three sets of economic and participant growth assumptions were used, in various combinations. No changes were made in the assumptions for the real rate of return on investments, inflation or real salary increase. The participant growth assumptions were changed from those used in the previous three valuations to provide for modest growth.

5. The results of the twenty-eighth valuation showed an actuarial surplus of 1.29 per cent of pensionable remuneration, or $2,760.1 million in dollar terms, showing the fifth consecutive positive actuarial result over the past decade.[3] The Committee was provided with a table showing the results of the actuarial valuations of the Fund since 1978 both in absolute terms and as a percentage of projected liabilities (see annex I below). Based on the results of the regular valuation, the Pension Board agreed with the view of the Committee of Actuaries that the present contribution rate of 23.7 per cent of pensionable remuneration was sufficient to meet the benefit requirements under the plan.[4] **The Advisory Committee reiterates its previous view and agrees with the Committee of Actuaries that the present contribution rate of 23.7 per cent should be retained. In this connection, the Advisory Committee again recalls the provisions of General Assembly resolution 53/210 of 18 December 1998 that the Pension Board should continue to monitor closely the evolution of the actuarial valuation of the Pension Fund and that no attempt should be made to reduce the present rate of contributions to the Fund or change any other features unless and until a consistent pattern of surpluses emerges in future valuations.**

6. Monitoring of costs of modifications of the two-track feature of the Pension Adjustment System is discussed in paragraphs 49 to 59 of the report.[1] The Committee notes that the Board agreed that no changes would be needed at this time but the relevant actuarial implications would continue to be monitored in conjunction with the actuarial valuations.

III. Investments of the United Nations Joint Staff Pension Fund

7. For the reporting period, the market value of the Fund's assets increased to $33,118 million on 31 March 2006 from $26,589 million on 31 March 2004, an increase of $6,529 million, or 24.6 per cent. The Committee was informed that the market value of the assets was estimated at approximately $34 billion as at 30 September 2006. As indicated in the report, during the biennium, the Fund achieved its target of 3.5 per cent of real rate of return with 11.8 per cent nominal return.

[3] Ibid., para. 29, table 4, and para. 30, table 5.

[4] Ibid., para 38.

8. The Committee observes that, on the basis of the recommendation of the Investments Committee, the Representative of the Secretary-General had decided, without prior consultation with the Board or the General Assembly, to adopt a new long-term strategic asset allocation in May 2005.[5] The new strategic asset allocation and the subsequent change in the Fund's performance benchmark were adopted. The new long-term strategic asset allocation was 60 per cent equities, 31 per cent bonds, 6 per cent real estate and 3 per cent cash and short-term investments. It was also decided that the short-term asset allocation could deviate within a range of +/-3 per cent from the long-term strategic asset allocation. The new benchmark was composed of 60 per cent Morgan Stanley Capital International All Country World Index (MSCIAC), 31 per cent Lehman Brothers Global Aggregate Index (LBGAI), 6 per cent NCREIF Property Index, and 3 per cent 91-Day USA Treasury Bill.

9. The Committee also observes that the benchmarks for individual asset classes were also modified from MSCI World, which does not include emerging markets, to MSCI All Country, in which emerging markets are represented to reflect the Fund's long-term commitment to these markets; the Fund's fixed income benchmark was also modified to reflect the Fund's long-term strategic exposure to other fixed income securities, such as corporate bonds in addition to government bonds.[6]

10. The Committee notes the finding by the Board of Auditors that the Fund needs to adopt a more systematic approach to asset-liability modelling as a foundation for its strategic asset allocation.[7] The Committee recalls that it had supported, in the context of its consideration of the Fund's budget proposal, funding for a comprehensive asset-liability management study, and the General Assembly, in its resolution 60/248, subsequently approved the funding.

11. The Committee observes that the asset-liability management study, which is aimed to assist in determining the Fund's strategic asset allocation among various asset classes, was expected to be started before the end of 2006 and completed in early 2007; the analysis of the study will be extensively discussed by the Investment Committee and the Committee of Actuaries, and any changes to investment policy will be decided by the Secretary-General after considering recommendations of the Investment Committee and the observations and suggestions of the Pension Board.[8] The Committee also notes that the Board of Auditors recommended that the Fund expedite the finalization of the asset-liability study.[9]

12. As indicated in paragraph 71 of the report of the Pension Board,[1] during the joint meeting with the Investments Committee, members of the Board raised a wide range of concerns and questions related, inter alia, to: the Fund's investments in some volatile markets and in emerging markets in general; investments in companies that produced goods or operated in countries that did not meet recommendations of the International Labour Organization or some other agencies; socially responsible investing; investments in companies that were providing services to the Investment Management Service; changes in the Fund's performance benchmarks; the Fund's new global custodian arrangement; peer group comparisons; reduction of the Fund's exposure to real estate; rationale behind adjusting the Fund's

[5] Ibid., para. 64.
[6] Ibid., para. 66.
[7] Ibid., annex XI, para. 53.
[8] Ibid., paras. 69, 246-249.
[9] Ibid., annex XI, para. 55.

nominal returns with the United States consumer price index when a large portion of the Fund's liabilities and almost half of its assets were outside the United States; whether the Fund's tax exemption status was taken into account in the performance numbers; the relation between the Fund's performance benchmark and the actuarial real rate of return requirement; and information to be gained from the forthcoming asset liability management study. Paragraphs 73 to 83 of the report[1] contain information on the questions and comments posed by the Board members.

13. The Committee observes that the Board took note of the Fund's new performance benchmark and requested that the Representative of the Secretary-General report back to the Board on any changes in the Fund's benchmarks that might result from the asset liability management study. **The Committee is concerned that the new benchmarks were not submitted to the Pension Board and the General Assembly for approval, as required by the Investment Manual (sect. III.A.1), which provides that the investment policies to be pursued by the Secretary-General with respect to the investments of the Fund are established by the General Assembly of the United Nations. The Committee agrees with the recommendation of the Board of Auditors that the Fund should submit the new investment benchmark to the Pension Board and the General Assembly for approval.**[10]

14. As indicated in paragraph 89 of the report,[1] in order to better control the Fund's risk relating to the Investment Management Service investment mandate and operations, the Representative of the Secretary-General recommended: (a) to increase the number of posts in the Investment Management Service by five; and (b) to index the North American equity portfolio whose universe corresponds to the MSCI US and MSCI Canada indices, rather than actively selecting stocks in order to seek to outperform the market. The Investments Committee endorsed the two recommendations by the Representative of the Secretary-General.

15. Paragraphs 92 to 95 of the report[1] outline the discussions in the Pension Board on changing the approach to managing the portfolio invested in North American equities from "active" to "passive" management whereby a portfolio is set up to track a specific benchmark index rather than trying to outperform it. As stated in paragraph 92, the reasoning behind the proposed indexing was the fact that the North American equity markets were extremely difficult to outperform and that it would reduce risks that relate to the attempt to outperform the market. The Committee notes from paragraph 94 of the report that the cost associated with indexing of the North American large capitalization equities would comprise a one-time transition cost of $1,250,000 and an annual indexation management fee of $695,000; there would also be cost reductions associated with indexation in the payment to the current investment adviser ($1.43 million) and commissions to brokers ($750,000). According to the Director of the Investment Management Service, the total net savings in adviser fees and reduced commission fees, partially offset by costs associated with indexing, would be $235,000 in the first year and $1,485,000 in subsequent years.

16. As reflected in paragraphs 96 and 97 of the report,[1] the Board was unable to reach a decision on the matter by consensus. The approval in respect to the passive management of the North American equities portfolio, as well as the ensuing

[10] Ibid., para. 48.

budgetary implications, was reached on the basis of a roll call vote, without the consent of the Participants' representatives.

17. **The Committee notes once again the good performance of the financial management of the Fund. While the Committee agrees, in principle, to the decision of the Board on the passive management of the North American equities portfolio, it recommends that this activity be undertaken by the Investment Management Service itself. The financial impact of this recommendation on resource requirements and cost reductions associated with the indexing of the North American equities portfolio referred to in paragraph 15 above should be provided to the General Assembly. Any decision to eventually outsource this activity should be taken only after a comprehensive review, with a clear presentation of the objectives, steps involved and a timetable for orderly implementation. The Committee is of the view that before further significant changes in investment policy are contemplated, the following measures should be taken**:

(a) **clear and convincing information should be presented to the Pension Board on interaction between the indexation of the Fund's North American stock portfolio, financial risks and asset allocation**;

(b) **a number of serious internal Investment Management Service management issues, as identified by the Board of Auditors, should be addressed, including determination of the level of tolerance of risk and improvement in internal review of performance and the trade order management system (see also paragraphs 28 and 29 below)**;

(c) **the comprehensive asset-liability management study, which has yet to commence, and a study of the Fund's governance, with special regard to the relationship between the Fund secretariat and the Investment Management Service, should be completed and the results thereof provided to the Board for consideration**;

(d) **all vacant Professional posts in the Investment Management Service should be expeditiously filled (see also para. 30 below)**.

18. **The Committee recommends that the consideration of any further significant change in the investment policy be deferred, pending action on the measures indicated in the paragraph above**.

19. Paragraphs 119 to 121 of the report[1] contain information on internal audit arrangements. Serious concern was expressed regarding the apparent confusion on the reporting lines for internal audit matters. The Pension Board reiterated that the established reporting lines for the Office of Internal Oversight Services vis-à-vis the Pension Fund were as follows: audits concerning operational activities of the Fund are first transmitted to the Chief Executive Officer, who reports thereon via the Pension Board to the General Assembly. Reports of the Office of Internal Oversight Services concerning the Fund's investments activities are submitted to the Secretary-General, through the Representative of the Secretary-General for the Investments of the Fund, and to the Chief Executive Officer of the Fund.

20. These reporting lines were incorporated into the Internal Audit Charter, where it is stated that if agreement is reached on the establishment of an Audit Committee, as recommended by the Board of Auditors, the reporting lines of the internal audit

function would then be adapted and the Internal Auditors would report to the Chief Executive Officer, the Representative of the Secretary-General for the Investments of the Fund and as appropriate, to the Audit Committee. The General Assembly, in its resolution 59/269, took note "with satisfaction of the approval of the United Nations Joint Staff Pension Board of an internal audit charter, which recognizes and incorporates policy changes for the Office of Internal Oversight Services of the Secretariat".

21. The Advisory Committee notes from paragraph 96 (d) of the report[1] that the Board decided to recommend the establishment of an audit committee of the Board to provide an enhanced communications channel between the internal auditors, the external auditors and the Pension Board. **The Advisory Committee concurs with the Board on the reporting lines for internal audit matters and also draws attention to its previous observation that an audit committee should be composed of members with relevant experience in internal audit (see A/59/447, para. 16). It is critical that the audit committee be composed of members with relevant expertise in accounting, financial management, including risk management and audit. The Advisory Committee trusts that the full membership of the audit committee will be selected as soon as possible.** The terms of reference of the audit committee is contained in annex II to the present report. The Advisory Committee deals with the proposed resource requirements for the audit committee in paragraph 34 below.

IV. Membership of the Investments Committee

22. Article 20 of the regulations of the Fund provides that members of the Investments Committee shall be appointed by the Secretary-General after consultation with the Pension Board and the Advisory Committee, subject to confirmation by the General Assembly. The Secretary-General informed the Pension Board and the Advisory Committee that one long-serving member had informed him that he would no longer be available to serve on the Committee. The Secretary-General also conveyed to the Board and the Advisory Committee the names of two members of the Investments Committee whom he intended to propose to the Assembly for reappointment for an additional three-year term and the name of one new regular member proposed for appointment for three-year terms beginning on 1 January 2007. The Advisory Committee has communicated its concurrence to the Secretary-General.

23. The Advisory Committee observes that the Board approved an amendment to the Fund's Rules of Procedure that provides for the appointment of ad hoc members to the Investments Committee and to the Committee of Actuaries; the Board also invited the Secretary-General, in cooperation with the United Nations Ethics Office, to establish procedures to ensure that there were no conflicts of interest in the appointments of the members of the Investments Committee.

V. Financial statements of the United Nations Joint Staff Pension Fund and report of the Board of Auditors

24. The Pension Board examined and approved the financial statements and related data on the operations of the Fund for the biennium ended 31 December

2005 and considered the report of the Board of Auditors on the accounts and operations of the Fund; the Board also considered a report on the internal audit of the Fund.[11] The examination of the report of the Board of Auditors by the Pension Board is reported on in paragraphs 122 to 128 of the report of the Pension Board.[1] The Committee notes that the Board of Auditors issued an unqualified audit opinion on the Fund's financial statements for the biennium ended 31 December 2005.

25. The report of the Board of Auditors covers matters that in its opinion should be brought to the attention of the Pension Board and the General Assembly.[12] The Advisory Committee observes that of a total of 23 recommendations for the biennium ended 31 December 2003, 12 recommendations were implemented, 7 were under implementation and 4 were not implemented; of the 4 not implemented, 2 were not accepted by the Board and 2 could not be implemented by the Fund.[13] The Committee infers from paragraph 123 of the report[1] that the two recommendations that remain unimplemented relate to: (a) the reconciliation of the contributions receivable from member organizations; and (b) what were referred to globally as the "back office" functions within Investment Management Service.

26. The Committee recalls, in this connection, its previous recommendation that the reasons for not implementing a recommendation of the Board of Auditors be clearly stated both in the report of the Pension Board and in the communication from the administrations concerned (see A/57/490, para. 17). Although paragraph 124 of the report[1] contains information on the issue of reconciliation of contributions from member organizations and the back office functions, the Committee points out that it reflects comments and observations by the Board of Auditors rather than views of the administration of the Fund or those of the Pension Board. **The Committee reiterates its recommendation on the need to provide the reasons for not implementing the recommendation of the Board of Auditors. The Committee also points out that the issue of reconciliation of accounts with member organizations has been on the agenda of the Board of Auditors for too long and should be resolved without further delay. The Committee trusts that efforts of the administration of the Fund to develop consolidated information technology services will contribute to finding a successful solution to this issue. The Committee supports the Board's recommendation that the Fund, in coordination with United Nations agencies, reconcile on a periodic basis the contributions to the Fund and prepare monthly bank reconciliations in a timely manner and make the necessary adjustments to the accounts.**

27. In response to the request by the Committee (see A/60/387, para. 12), the Board evaluated the ageing of its previous recommendations and reported that of the 7 recommendations under implementation, 4 related to the 2002-2003 biennium and 3 to the 2000-2001 biennium.[1] **The Committee requests the Board to continue the evaluation.**

28. **The Committee notes with concern the observation of the Board of Auditors on lax performance monitoring by the Investment Management Service. As indicated in paragraph 52 of annex XI to the report of the Pension Board,[1] the Investment Management Service will need to improve its internal review of performance by: (a) monitoring performance at levels below asset**

[11] Ibid., para. 5.

[12] Ibid., annex XI, para. 5.

[13] Ibid., annex XI, paras. 7, 9, 31-37.

classes; (b) performing systematic retrospective reviews of the advice it receives; and (c) subjecting the performance of investment managers to regular, independent reviews.

29. The findings, recommendations and observations of the Board of Auditors with regard to compliance, risk management and back office functions of the administration of the investments of the Fund are contained in paragraphs 59 to 65 of annex XI to the report.[1] **The Committee is concerned about the observations and findings of the Board of Auditors on the trade order management system of the Investment Management Service and on the current organization of the Fund's back office and compliance function**. With regard to the latter, the Board observed that it presented serious risks for the Fund, as illustrated by two instances of error or non-compliance that were not identified in time, which resulted in a loss of $8.7 million. The Committee notes that no disciplinary action was taken against the individual involved. **The Committee notes with concern that the investment infrastructure of the Investment Management Service is still at the stage at which trade orders are placed by facsimile and there is no compliance monitoring system. The Committee trusts that urgent measures will be taken to bring the investment infrastructure of the Investment Management Service up to the industry standards**.

30. **The Committee further notes with concern that the Risk and Compliance Section of the Investment Management Service did not have any staff**. The Board was informed that the recruitment of a chief of risk management and compliance, as well as a compliance officer, would be carried out in 2006. **The Committee encourages the administration of the Investment Management Service to expeditiously implement the recommendation of the Board of Auditors with regard to the recruitment to the risk management and compliance officer positions**.

VI. Benefit provisions of the United Nations Joint Staff Pension Fund

31. Paragraphs 186 to 231 of the report of the Pension Board[1] contain information on benefit provisions of the Fund. The Committee notes that the Pension Board decided to: (a) recommend that as from 1 April 2007, the current reduction in the first consumer price index adjustment due under the Pension Adjustment System of the United Nations Joint Staff Pension Fund to benefits in award be reduced from 1.0 per cent to 0.5 per cent; and that a 0.5 per cent increase be applied on the occasion of the next adjustment to the benefits in payment to existing retirees and beneficiaries who have already had the 1.0 per cent reduction applied to their benefits; and (b) recommend implementation as from 1 April 2007 of its already approved 2002 recommendation to eliminate the limitation on the right to restoration for existing and future contributing participants, based on length of prior service. **The Committee recommends that the General Assembly approve the decisions of the Board**.

32. The Committee notes from paragraphs 195 to 197 of the report[1] that the Board considered a number of proposals for enhancements to the Pension Adjustment System of the Fund and requested the Chief Executive Officer to review the current arrangements regarding the periodicity of cost-of-living adjustments under the

Pension Adjustment System of the Fund and to carry out a review of the current provisions for special adjustments for small pensions, including the existing tables setting out the levels for special adjustments.

VII. Revised budget estimates for the biennium 2006-2007

33. The Committee observes that during its discussions of the recommendations aimed at reversing some of the economy measures taken in the 1980s and following its review of the administrative implications of implementing two of those earlier recommendations, the Board decided to recommend additional resources for general temporary assistance, as follows: (a) $125,300 for implementation of the recommendation to reduce the current reduction factor by 0.5 per cent in the first pension adjustments due for existing and future beneficiaries, with effect from 1 April 2007; and (b) $72,500 for implementation of the recommendation to eliminate the limitation on the right to restoration based on years of service, with effect from 1 April 2007. **The Committee recommends approval of the Board's decision.**

34. Moreover, the Board recommended an additional provision of $50,000 to cover the anticipated travel costs in respect to seven members and two experts of the newly established Audit Committee. **The Committee recommends approval of the Board's recommendation.**

35. The Pension Board also recommended approval of additional resources for external audit costs amounting to $85,900 to cover the increase in the total number of auditor weeks from 53 to 65 and an additional general temporary assistance provision of $132,400 (an equivalent of one new post at the P-3 level) in order to increase the Fund's internal audit capabilities. **The Committee supports the recommendation of the Board.**

36. The Pension Board also recommended the reclassification of two P-4 posts in the information technology services of the Fund secretariat to the P-5 level, for which an additional $27,700 would be required. **The Committee recommends approval of the proposal.**

37. The Committee notes that, on the basis of its discussions on the investment management arrangements, the Board decided to recommend for the Investment Management Service: (a) the establishment of five new posts (i.e., 1 D-1, 2 P-5, 1 P-4 and 1 P-3) for which additional resources of $464,200 would be required; (b) the allocation of additional resources amounting to $500,000 for consulting advice to be provided from specialists in the custodian business; and (c) the allocation of additional resources amounting to $1,945,000 for indexation fees and one-time transition costs. **Taking into account its views on the investment management arrangements reflected in paragraphs 17 and 18 above, the Committee recommends that consideration of the additional budgetary requirements for indexation fees and one-time transition costs ($1,945,000) should be deferred pending action on the measures indicated in paragraph 17 above. However, the Committee recognizes that the record-keeping responsibilities are becoming more complex and that further development of the monitoring system and the operation manual are essential to keep close vigilance of the portfolio management and it recommends approval of the request for consulting advice on custodian matters ($500,000). As concerns the**

proposed additional staffing resources, the Committee recognizes the needs of the Investment Management Service for additional resources regardless of the results of the measures referred to in paragraph 17 above. Accordingly, the Committee recommends approval of the five posts requested for the Investment Management Service. The Committee trusts that all existing vacant posts in the Investment Management Service as well as the additional five posts will be expeditiously filled.

VIII. Other matters

38. Among the other matters considered and recommended in the report of the Pension Board[1] for approval by the General Assembly are the following:

(a) Approval of the revised United Nations Joint Staff Pension Fund-World Bank Group Transfer Agreement, which would take effect 1 January 2007 (paras. 11 (c) and 233-235);

(b) Approval of the proposed separate new Transfer Agreements between the Pension Fund and each of the six Coordinated Organizations, with effect from 1 January 2007 (paras. 11 (d) and 236-239);

(c) Approval of the recommendation that the International Organization for Migration (IOM) be admitted to membership of the Pension Fund, effective 1 January 2007, subject to the Fund's Secretary/Chief Executive Officer confirming to the General Assembly that the IOM fully satisfied all conditions for Pension Fund membership (paras. 11 (e) and 240-242).

The Committee recommends approval of the Board's proposals.

39. The Committee notes that having considered a report by the Working Group established to review the size and composition of the Board and its Standing Committee, the Board decided to maintain its size at 33 members, as well as its current composition and allocation of seats; the Board will also consider a policy paper in 2007, which will provide clarification in respect to membership and attendance at the meetings of the Board and its Standing Committee.[14] **The Committee trusts that the policy paper will address the guidelines provided by the General Assembly on this matter.**

[14] Ibid., para. 12 (m).

Annex I

Evolution of the actuarial deficit (surplus) of the Fund since 1978 expressed as a percentage of pensionable remuneration, in United States dollars, and as a percentage of projected liabilities

Valuation date	*Regular valuation economic assumptions*[a]	*Real rate of return*	*Required rate of contribution*	*Deficit (surplus)*		
				As a percentage of pensionable remuneration	*In dollar terms (millions)*	*As percentage of projected liabilities*
31 December 1978	3.5/7.5/3	4.5	21.37	0.37	121.7	1.4
31 December 1980	6.5/9/6	3.0	27.82	6.82	5 315.7	22.01
31 December 1982	6.5/9/6	3.0				
(a) Before changes on 1 January 1983			29.71	8.41	7 057.6	25.6
(b) After changes on 1 January 1983			25.72	4.79	4 018.4	16.4
31 December 1984	6.5/9/6	3.0				
(a) Before changes on 1 January 1984 and 1 January 1985			25.94	4.94	4 490.6	16.5
(b) After changes on 1 January 1984 and 1 January 1985			24.76	3.01	2 734.3	10.4
31 December 1986	6.5/9/6	3.0	26.15	4.40	3 187.2	13.2
31 December 1988	6.5/9/6	3.0	26.21	3.71	3 133.4	10.9
31 December 1990	6.5/9/6	3.0	24.27	0.57	641.0	1.8
31 December 1993	6.5/9/6	3.0	25.19	1.49	1 857.1	4.3
31 December 1995	5.5/8.5/5, with 1.9 per cent cost of two-track	3.5	25.16	1.46	1 688.7	4.0
31 December 1997	(same as 1995)	3.5	23.34	(0.36)	(417.3)	1.0
31 December 1999	(same as 1995)	3.5	19.45	(4.25)	(5 278.6)	11.5
31 December 2001	(same as 1995)	3.5	20.78	(2.92)	(4 284.4)	8.0
31 December 2003	4.5/7.5/4, with 1.9 per cent cost of two-track	3.5	22.56	(1.14)	(1 949.6)	3.1
31 December 2005	(same as 2003)	3.5	22.41	(1.29)	(2 760.1)	3.7

[a] Since 1978, valuations have been carried out on a fully dynamic basis; that is to say, inflation is assumed to continue indefinitely in future.

Annex II

Terms of reference of the Audit Committee of the United Nations Joint Staff Pension Board*

1. Constitution

The Audit Committee (the Committee) is established as an advisory committee of the United Nations Joint Staff Pension Board (the Board). The terms of reference of the Audit Committee were approved by the Board and are included by reference in the Fund's Rules of Procedures.

2. Purpose and objectives

2.1 The Audit Committee, established by the Board with the concurrence of the General Assembly, will provide assistance to the Board in fulfilling its oversight responsibility relating to:

(a) the performance and independence of the internal audit function;

(b) the accounting and financial audit reporting processes of the United Nations Joint Staff Pension Fund (UNJSPF or the Fund);

(c) adherence to the Internal Audit Charter of the Fund, and UNJSPF regulations and Administrative Rules relating to audits.

2.2 The main objectives of the Committee are to:

(a) Provide general oversight and offer recommendations for the Fund's audit arrangements, including both internal and external auditing;

(b) Oversee the work of the Internal Auditors and consider the scope, particularly concerning risk management, results and effectiveness of the audit reports;

(c) Consider the scope and recommendations in the Board of Auditors' reports and management letters as well as actions taken to implement the Board of Auditors' recommendations;

(d) Review and assess, from time to time, the adequacy of the Internal Audit Charter, and recommend amendments thereto to the Board.

3. Organization and composition

3.1 The Board will appoint at least three members from the Staff Pension Committees of UNJSPF Member Organizations reflecting the tri-partite composition of the Board. In addition to the members, the Board may select experts from outside the Board to serve in their private capacity with the Committee. One additional member will be appointed by the Board to represent the UNJSPF retirees. The Committee's total membership shall always be an odd number, not exceeding nine.

3.2 All members of the Committee shall satisfy the following requirements: be independent, knowledgeable in accounting, auditing, financial management or

* These terms of reference are available on the Fund website: www.unjspf.org.

compliance and have long-established exposure and demonstrated expertise in these fields. To be considered independent, a member must be independent of UNJSPF management, including the Investment Management Service, or of the Office of the Representative of the Secretary-General for Investments of the Fund. Members should be free from any relationship that in the opinion of the Board would result in actual or perceived conflict of interest situation. While performing their functions the Committee members shall exercise duty of care reasonably expected from them. The term of all Committee members shall be four years and they may not be selected for consecutive terms.

3.3 The Committee shall select a Chairperson and one Vice-Chairperson. To meet, a quorum of a majority of the Committee's membership is required.

3.4 The Secretary/Chief Executive Officer of the Fund shall designate the Secretary of the Committee.

3.5 The Committee shall adopt its own rules of procedure, which shall be communicated to the Board. It shall meet at least twice a year, bearing in mind practice for audit committees in international organizations as well as industry practice.

4. Authority

4.1 The Committee shall have unrestricted authority within the scope of its terms of reference. In this connection, the Committee shall review significant changes in the Fund's policies, as they relate to:

(a) risk management for all Fund activities, including investment management;

(b) internal control, including fraud prevention;

(c) accounting and financial reporting.

4.2 When exercising its duties and responsibilities, the Committee may bring to the Board's attention any matters that have emerged through the audits. The Committee may also make observations and provide recommendations to the Board, including proposals to audit those specific areas of the Fund which the Committee considers necessary.

5. Responsibilities

The Audit Committee has the following responsibilities:

Internal and external audit

5.1 Discuss, with the Board of Auditors, the Internal Auditors, the Chief Executive Officer of the Fund and the designated Representative of the Secretary-General for the Investments of the Fund, the internal audit function responsibilities, as defined in the Internal Audit Charter, normally once a year.

5.2 Consult with the Chief Executive Officer of the Fund, the designated Representative of the Secretary-General for the Investments of the Fund, the Board of Auditors and the Internal Auditors on matters related to the internal audit plan and audit procedures applied. The review of the internal audit plan

shall focus on the scope and effectiveness of the internal audit function and the risk assessment of Fund activities, including those related to investments.

5.3 Ensure that the internal audit function of the Fund is performed in compliance with all the provisions of the Fund's Internal Audit Charter.

5.4 Review the internal audit reports submitted by the Internal Auditors in order to be fully informed of the Fund's financial exposures, management actions to address issues related to internal audit activities, and the Internal Auditors' evaluation of internal controls.

5.5 Provide opportunity (at least once a year) for the Board of Auditors and the Internal Auditors to meet privately with the members of the Committee to discuss matters which they may wish to bring to the Committee's attention.

5.6 Review the findings and recommendations of the Board of Auditors and of the Internal Auditors, and monitor management's responses to those findings and related corrective action plans.

5.7 Review the implementation of audit recommendations and assess the instances of recommendations for remedial action not accepted by management.

5.8 Maintain open lines of communication and consultation with the Board of Auditors, the Internal Auditors, the Pension Board, the Chief Executive Officer of the Fund, and the designated Representative of the Secretary-General for the investments of the Fund.

5.9 The Committee may consider whether additional audits not included in the audit plans are necessary or appropriate.

Financial statements

5.10 Review and discuss the audited financial statements of the Fund with management and the Board of Auditors.

Compliance

5.11 Review the audit reports as to the effectiveness of the system for monitoring compliance with the Regulations of the Fund and obtain regular updates from management regarding compliance matters.

Reporting responsibilities

5.12 Report annually on the Committee's activities to the Board or to the Standing Committee.

5.13 Conduct from time to time a self-assessment of the Committee's performance and effectiveness.

Other responsibilities

5.14 Perform any other functions as requested by the Board, and review other relevant reports the Fund or auditors issue that relate to the Audit Committee's responsibilities. Review of these reports should protect their possible confidential nature and the identity of individuals concerned. In doing so, members shall protect the confidential nature of these documents as well as privacy of the individuals who may be concerned.

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Review of the efficiency of the administrative and financial functioning of the United Nations

Accountability measures

Report of the Secretary-General

Summary

The present report responds to General Assembly resolution 59/272, in which the Assembly requested the Secretary-General to submit annually a report on measures implemented with the aim of strengthening accountability in the Secretariat.

The report provides a summary of measures undertaken since the report submitted to the General Assembly at its sixtieth session, entitled "Measures to strengthen accountability at the United Nations" (A/60/312), including specific reforms relating to accountability arising from decisions made by Member States at the 2005 World Summit, and other ongoing reform measures.

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I. Introduction

1. The present report has been submitted pursuant to paragraph 9 of General Assembly resolution 59/272, in which the Assembly requested the Secretary-General to submit annually to the Assembly a report under the agenda item entitled "Review of the efficiency of the administrative and financial functioning of the United Nations" addressing the measures aimed at strengthening accountability in the Secretariat.

2. Since the submission to the General Assembly of the report of the Secretary-General entitled "Measures to strengthen accountability at the United Nations" (A/60/312), there have been continuing efforts to strengthen accountability at the United Nations. In paragraph 161 (a) of resolution 60/1, the General Assembly recognized the ongoing reform measures carried out by the Secretary-General to strengthen accountability and oversight, improve management performance and transparency and reinforce ethical conduct, and invited him to report to it on the progress made in their implementation. In line with that resolution, the Secretary-General has submitted a series of reports that, inter alia, describe both proposed measures to strengthen accountability and the progress of measures already undertaken. In particular, in his report on accountability (A/60/846/Add.6), the Secretary-General addressed the need for a working definition of accountability; provided an overview of the chain of responsibility, authority and accountability; and addressed accountability for results, management of financial resources, management of human resources and management of procurement. The reports of the Secretary-General on investing in information and communication technology, budget implementation, financial management practices, improving reporting mechanisms including public access to United Nations documentation, procurement reform and updated terms of reference for the Independent Audit Advisory Committee (A/60/846/Add.1-5 and Add.7) also include proposals and describe progress already achieved on accountability measures in those areas. Further, the report of the Secretary-General transmitting the report of the independent Steering Committee on the Comprehensive Review of Governance and Oversight (A/60/883 and Add.1 and 2) points the way forward for strengthening the accountability framework of the Organization.

3. Given that the measures taken to strengthen accountability since the previous report (A/60/312) have been fully covered in the aforementioned reports and in other reports[1] submitted to the General Assembly, the present report provides a summary of key measures rather than duplicate the content of those reports. It is structured under three broad thematic headings: measures to strengthen the accountability framework; ensuring ethical conduct; and enhancing transparency.

[1] See reports on activities of OIOS for the period 1 July 2005 to 30 June 2006 (A/61/264); proposals for strengthening OIOS (A/60/901); strengthening the role of evaluation and application of evaluation findings on programme design, delivery and policy directives (A/61/83); activities of the Management Performance Board (A/61/319); United Nations system of administration of justice (A/61/205); activities of the Ethics Office (A/61/274); special measures for protection from sexual exploitation and sexual abuse (A/60/861); sexual exploitation and sexual abuse, including policy development, implementation and full justification of proposed capacity on personnel conduct issues (A/60/862).

II. Measures to strengthen the accountability framework

Governance

4. In response to General Assembly resolution 60/1, adopted at the 2005 World Summit, the Secretary-General has completed a comprehensive review of governance and oversight arrangements, including an independent external evaluation of the auditing and oversight system.

5. In volumes I to III of its report (A/60/883/Add.1), the independent Steering Committee provides recommendations concerning strengthening management effectiveness and accountability and suggests ways forward to achieve those ends. Institutionalizing results-based management within a clearly defined and comprehensive accountability framework for senior management, which includes the introduction of openness and transparency into the appointment process for senior management, and the strengthening of performance and evaluation processes, are key components.

Oversight

6. In volumes IV and V of its report (A/60/883/Add.2), the independent Steering Committee provides 7 main recommendations for the overall strengthening of oversight and 23 other recommendations aimed at the strengthening of the Office of Internal Oversight Services. The expeditious operationalizing of the Independent Audit Advisory Committee, established by the General Assembly in its resolution 60/248, is a critical element of the overall strengthening of oversight. To facilitate this, the Secretary-General has proposed revised terms of reference for consideration by the Assembly at its sixty-first session (A/60/846/Add.7). Further recommended measures include the establishment of an enterprise-wide risk management framework and the assignment of responsibility for reporting on the effectiveness of internal controls to executive management.

Office of Internal Oversight Services

7. The Office of Internal Oversight Services has continued its own efforts to strengthen internal oversight, in particular in the areas of risk assessment methodology; investment in information and communication technology; monitoring of recommendations; and improving professional practices. Measures taken in this regard are described in the annual report of the Office for the period 1 July 2005 to 30 June 2006 (A/61/264, part I). In its report on proposals for strengthening the Office (A/60/901), the Office of Internal Oversight Services provides proposals for reinforcing its mandated functions, namely, internal audit, inspections, monitoring, evaluations and investigations, and for ensuring its operational independence through an improved budgeting process. The Office is also taking the lead in strengthening programme evaluation, including such measures as establishing a programme and evaluation portal on iSeek, and training more than 300 staff members in results-based programme performance assessment. The report of the Office of Internal Oversight Services on strengthening the role of evaluation (A/61/83) and the application of evaluation findings on programme

design, delivery and policy directives further elaborates the measures taken and challenges faced in creating effective programme monitoring and evaluation.

Follow-up to recommendations of oversight bodies

8. In order to ensure that major issues identified by the Office of Internal Oversight Services are dealt with in a timely manner, monthly meetings have been instituted between the Deputy Secretary-General and the Under-Secretary-General for Internal Oversight Services. In addition, the Management Committee has taken on the responsibility of ensuring that findings and recommendations of the oversight bodies are effectively fed into the executive management process, ensuring that adequate remedial action is being undertaken and that recommendations are prioritized and addressed in a timely manner.

Management Performance Board

9. The Management Performance Board, which is responsible for monitoring and analysing the manner in which senior managers exercise all aspects of their authority to ensure that they are properly undertaking the responsibilities that have been entrusted to them, is now operational. In accordance with General Assembly resolution 60/238, the Assembly will have before it at its sixty-first session a comprehensive report on the activities of the Management Performance Board since its inception (A/61/319).

Administration of justice

10. In its resolution 59/283, the General Assembly decided that the Secretary-General should form a panel of external and independent experts to consider redesigning the system of the administration of justice (hereinafter referred to as the "Redesign Panel"). The Redesign Panel began its work on 1 February 2006. Its report (A/61/205) is before the Assembly for consideration at its sixty-first session. In its resolution 59/283, the Assembly also requested the Secretary-General to submit his comments on the recommendations contained in the report of the Redesign Panel, along with the estimate of time and resources needed for the implementation of the recommendations. These comments will be the subject of a separate report to be submitted to the Assembly at its resumed sixty-first session. The Secretary-General's comments will be subject to consultations with staff.

III. Ensuring ethical conduct

Ethics Office: financial disclosure; whistle-blower protection and training

11. Substantial progress has been made on various initiatives to ensure ethical conduct within the Secretariat. An Ethics Office was established in January 2006[2] to serve as a focal point in the communication and updating of standards of conduct in support of the Organization's goal to promote integrity, transparency and ethics in the workplace. Financial disclosure requirements have been expanded and a policy on whistle-blower protection, which represents best practices consistent with international and national law and core standards of human rights, has been introduced. New training programmes on ethics have also been launched. The Ethics Office conducted the first Secretariat-wide ethics briefing to all Under-Secretaries-General and Assistant Secretaries-General on 9 October 2006, covering a wide range of ethics issues related to management and including case studies. The report of the Secretary-General on activities of the Ethics Office (A/61/274) provides full details on the above initiatives.

Response to allegations of sexual exploitation and abuse

12. In 2005, OIOS highlighted that the problems of sexual exploitation and abuse by field personnel constituted a particular area of concern related to ethical behaviour. Measures taken to address the problems are fully described in the report of the Secretary-General (A/60/862) prepared pursuant to General Assembly resolution 59/296 on sexual exploitation and sexual abuse, and include policy development, implementation and full justification of proposed capacity on personnel conduct issues and a coordinated approach to implementing the zero-tolerance policy regarding sexual exploitation and abuse. The Department of Peacekeeping Operations has introduced a three-pronged strategy comprising measures aimed at prevention of misconduct, enforcing United Nations standards of conduct and undertaking remedial actions. The remedial actions have included effective investigation and follow-up. The report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse (A/60/861) provides data on allegations of sexual exploitation and related offences and describes progress made in the creation and implementation of measures designed to prevent sexual exploitation and abuse.

Enhancement of fraud and corruption prevention mechanisms

13. In its resolution 59/264, the General Assembly approved the recommendations and conclusions contained in the reports of the Board of Auditors on the financial reports of the United Nations, including the recommendation of the Board of Auditors that the United Nations Secretariat and the United Nations funds and programmes develop, document and implement a plan against the risk of internal

[2] In accordance with Article 101, para. 3, of the Charter of the United Nations; taking into consideration General Assembly resolutions 60/1, para. 161, and 60/248, sect. XIII; and under Secretary-General's Bulletin ST/SGB/2005/22.

corruption and fraud, including fraud-awareness initiatives (see A/59/162, para. 147). In subsequent resolutions, the General Assembly has further supported the recommendation (see resolutions 60/254, para. 13, and 60/266, sect. V, para. 3).

14. A working group was established in 2005 to draw up a comprehensive plan of action to strengthen the capacity of the Organization to prevent fraudulent and corrupt acts by staff and third parties. A short and medium-term plan of action to deal with these issues was developed in 2005 and further refined in 2006, including validation by an independent expert specializing in fraud prevention and anti-corruption measures. The Secretary-General will report to the General Assembly at its sixty-first session on the progress made in this area.

Suppliers code of conduct and guidelines for acceptance of pro bono goods and services

15. In response to General Assembly resolution 59/288, the Secretary-General has issued a supplier code of conduct (see A/60/846/Add.5, para. 15). The code includes an implementation guide, a remediation guide and self-assessment tools for suppliers in procurement.

16. In March 2006, the Secretary-General promulgated comprehensive guidelines for accepting pro bono goods and services (ST/SGB/2006/5). The guidelines aim at enhancing transparency and preventing unethical conduct in respect of the cooperation between the United Nations and the private sector and non-governmental organizations, and include terms relating to conflict of interest.

IV. Enhancing transparency

Access to United Nations information

17. In proposal 19 of his report on investing in the United Nations: for a stronger Organization worldwide (A/60/692 and Corr.1) and paragraphs 31 to 41 of his report on improving reporting mechanisms including public access to United Nations documentation (A/60/846/Add.4), the Secretary-General outlined a new policy that will provide the public with clearer rules for accessing Secretariat documentation. The objective of the new policy is to operationalize the Organization's goal of enhancing transparency and accountability, consistent with reasonable public expectation. Accordingly, the policy will modernize the current rules in place for accessing non-published United Nations information and increase availability through a variety of channels.

Improved reporting to the General Assembly

18. In the above-mentioned report on broadening access to United Nations documentation (A/60/846/Add.4), the Secretary-General also describes proposals aimed at improved reporting to the General Assembly so as to provide the necessary information for Member States to make well-informed decisions, hold the Secretary-General accountable for the performance of the Organization and enhance the transparency of the Organization. The major elements of the proposals are an annual

report of the Secretary-General to the General Assembly on the performance of the Organization and proposals to consolidate 45 reports into 6. In accordance with section V of resolution 60/283, in which the Assembly took note of the intention of the Secretary-General to prepare such a single comprehensive report, the *United Nations Secretariat First Consolidated Report 2005*[3] was published in September for consideration by Member States as a prototype to improve accessibility to and transparency of management information. Another significant step towards more transparent reporting has been the request by the Assembly in its resolution 59/272, for the Secretary-General to ensure that all reports of the Office of Internal Oversight Services be made available to Member States on request. To date, the Office has received requests for several hundred reports and has made those reports available.

International Public Sector Accounting Standards

19. A further step towards greater transparency has been the decision of the General Assembly to approve the adoption by the United Nations of the International Public Sector Accounting Standards (IPSAS) (resolution 60/283). The benefits to be derived from this are fully described in the report of the Secretary-General on financial management practices (A/60/846/Add.3). The adoption of IPSAS is contingent on the replacement of the current Integrated Management Information System (IMIS), Galaxy and other stand-alone information and communication technology management support systems with an enterprise resource planning system.[4] In that connection, the Assembly has endorsed the Secretary-General's proposal to replace IMIS with a next-generation enterprise resource planning system or other comparable system (see resolution 60/283, sect. II, para. 4).

V. Conclusions and recommendations

20. **Significant progress has been achieved in many areas and efforts are continuing to further strengthen accountability at the United Nations. The findings of the governance and oversight review provide the basis for determining the next major steps towards ensuring that the Organization has a comprehensive system of accountability in place, in particular measures aimed at strengthening oversight and the accountability framework for senior managers.**

21. **The General Assembly may wish to take note of the present report.**

[3] United Nations publication, Sales No. E.06.I.35.

[4] Enterprise resource planning systems integrate an organization's data and processes into a single unified system. The systems offer a depth of functionality in accounting, reporting, analysis, financial supply chain and treasury management, providing a robust financial and management reporting system that will ensure the highest level of business analysis and governance.

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Agenda item 133

Financing of the United Nations Operation in Burundi

Report of the Fifth Committee

Rapporteur: Mr. Diego **Simancas** (Mexico)

I. Introduction

1. At its 2nd plenary meeting, on 13 September 2006, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-first session the item entitled "Financing of the United Nations Operation in Burundi" and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 5th and 12th meetings, on 12 and 30 October 2006. Statements and observations made in the course of the Committee's consideration of the item are reflected in the relevant summary records (A/C.5/61/SR.5 and 12).

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the Secretary-General on the performance of the budget of the United Nations Operation in Burundi for the period from 1 July 2004 to 30 June 2005 (A/60/612);

(b) Report of the Secretary-General on the budget for the United Nations Operation in Burundi for the period from 1 July 2006 to 30 June 2007 (A/61/309);

(c) Report of the Advisory Committee on Administrative and Budgetary Questions (A/61/485).

II. Consideration of draft resolution A/C.5/61/L.5

4. At its 12th meeting, on 30 October, the Committee had before it a draft resolution entitled "Financing of the United Nations Operation in Burundi" (A/C.5/61/L.5), which was submitted by the Rapporteur of the Committee, the representative of Mexico, on the basis of informal consultations.

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5. At the same meeting, before consideration of the draft resolution, the Director of the Peacekeeping Financing Division made a statement.

6. Also at the same meeting, the Committee adopted draft resolution A/C.5/61/L.5 without a vote (see para. 8).

7. After the adoption of the draft resolution, statements in explanation of position were made by the representatives of Nigeria (on behalf of the States Members of the United Nations that are members of the African Group) and South Africa.

III. Recommendation of the Fifth Committee

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Financing of the United Nations Operation in Burundi

The General Assembly,

Having considered the reports of the Secretary-General on the financing of the United Nations Operation in Burundi[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2]

Recalling Security Council resolution 1545 (2004) of 21 May 2004, by which the Council authorized, for an initial period of six months as from 1 June 2004, with the intention to renew it for further periods, the deployment of a peacekeeping operation called the United Nations Operation in Burundi, and the subsequent resolutions by which the Council extended the mandate of the Operation, the latest of which was resolution 1692 (2006) of 30 June 2006, by which the Council extended the mandate of the Operation until 31 December 2006,

Recalling also its resolution 58/312 of 18 June 2004 on the financing of the Operation and its subsequent resolutions thereon, the latest of which was resolution 60/269 of 30 June 2006,

Reaffirming the general principles underlying the financing of United Nations peacekeeping operations, as stated in General Assembly resolutions 1874 (S-IV) of 27 June 1963, 3101 (XXVIII) of 11 December 1973 and 55/235 of 23 December 2000,

Mindful of the fact that it is essential to provide the Operation with the necessary financial resources to enable it to fulfil its responsibilities under the relevant resolutions of the Security Council,

1. *Takes note* of the status of contributions to the United Nations Operation in Burundi as at 30 June 2006,[3] including the contributions outstanding in the amount of 31.1 million United States dollars, representing some 5 per cent of the total assessed contributions, notes with concern that only 49 Member States have paid their assessed contributions in full, and urges all other Member States, in particular those in arrears, to ensure payment of their outstanding assessed contributions;

2. *Expresses its appreciation* to those Member States which have paid their assessed contributions in full, and urges all other Member States to make every possible effort to ensure payment of their assessed contributions to the Operation in full;

3. *Expresses concern* at the financial situation with regard to peacekeeping activities, in particular as regards the reimbursements to troop contributors that bear additional burdens owing to overdue payments by Member States of their assessments;

[1] A/60/612 and A/61/309.

[2] A/61/485.

[3] ST/ADM/SER.B/695, annex XXXIX.

4. *Also expresses concern* at the delay experienced by the Secretary-General in deploying and providing adequate resources to some recent peacekeeping missions, in particular those in Africa;

5. *Emphasizes* that all future and existing peacekeeping missions shall be given equal and non-discriminatory treatment in respect of financial and administrative arrangements;

6. *Also emphasizes* that all peacekeeping missions shall be provided with adequate resources for the effective and efficient discharge of their respective mandates;

7. *Reiterates its request* to the Secretary-General to make the fullest possible use of facilities and equipment at the United Nations Logistics Base at Brindisi, Italy, in order to minimize the costs of procurement for the Operation;

8. *Welcomes* the use of the installation at Entebbe, Uganda, to enhance the efficiency and responsiveness of its logistical support operations for peacekeeping missions in the region;

9. *Endorses* the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions,[2] and requests the Secretary-General to ensure their full implementation, subject to the provisions of the present resolution;

10. *Takes note* of the recommendations contained in paragraphs 21, 25 and 27 of the report of the Advisory Committee;

11. *Decides* to establish two National Officer posts for the Human Rights Office and one National Officer post for the Office of the Chief of Administrative Services through redeployment of posts;

12. *Also decides* to establish four general temporary assistance positions (one P-4, one P-2 and two national staff, including one National Officer) for the Conduct and Discipline Team;

13. *Re-emphasizes* the need to refine budgetary assumptions through closer scrutiny of expenditure patterns of the Operation;

14. *Reaffirms* its resolution 59/296 of 22 June 2005, and requests the Secretary-General to ensure the full implementation of its relevant provisions and the relevant provisions of its resolution 60/266 of 30 June 2006;

15. *Requests* the Secretary-General to take all necessary action to ensure that the Operation is administered with a maximum of efficiency and economy;

16. *Also requests* the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to recruit local staff for the Operation against General Service posts, commensurate with the requirements of the Operation;

17. *Welcomes* the efforts of the Operation and its personnel and looks forward to the successful completion of the mandate of the Operation;

18. *Requests* the Secretary-General to ensure an orderly transition, including the transfer of assets, to the planned follow-on mission — the United Nations

Integrated Office in Burundi — and the efficient liquidation of the Operation's assets in accordance with the Operation's exit strategy and liquidation timetables;

19. *Also requests* the Secretary-General to encourage strong coordination between the Operation, the planned follow-on mission and the United Nations country team with a view to ensuring a smooth transition to the planned follow-on mission and to reducing the potential duplication of activities among members of the United Nations country team;

20. *Further requests* the Secretary-General to ensure that the lessons learned from other peacekeeping missions are applied during the Operation's drawdown, liquidation and transition to the planned follow-on mission;

21. *Notes* the additional information on projected expenditure for the Operation for the period from 1 July 2006 to 30 June 2007, amounting to 128,536,700 dollars, provided by the Secretary-General;[4]

Financial performance report for the period from 1 July 2004 to 30 June 2005

22. *Takes note* of the report of the Secretary-General on the financial performance of the Operation for the period from 1 July 2004 to 30 June 2005;[5]

Budget estimates for the period from 1 July 2006 to 30 June 2007

23. *Decides* to appropriate to the Special Account for the United Nations Operation in Burundi the amount of 128,536,700 dollars for the maintenance and administrative liquidation of the Operation for the period from 1 July 2006 to 30 June 2007, inclusive of the amount of 78,959,200 dollars previously authorized by the General Assembly under the terms of its resolution 60/269 of 30 June 2006 for the maintenance of the Operation for the period from 1 July to 31 October 2006, and in addition to the amount of 3,426,800 dollars already appropriated under the terms of the same resolution for the support account for peacekeeping operations and the United Nations Logistics Base for the period from 1 July 2006 to 30 June 2007;

Financing of the appropriation for the period from 1 July 2006 to 30 June 2007

24. *Also decides*, taking into account the amount of 40 million dollars already apportioned under the terms of its resolution 60/269 for the maintenance of the Operation for the period from 1 July to 31 October 2006, to apportion among Member States the additional amount of 88,536,700 dollars for the maintenance and administrative liquidation of the Operation for the period from 1 July 2006 to 30 June 2007, in accordance with the levels updated in its resolution 58/256 of 23 December 2003, and taking into account the scale of assessments for 2006, as set out in its resolution 58/1 B of 23 December 2003, and the scale of assessments for 2007;[6]

25. *Further decides* that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 24 above, their respective share in the Tax Equalization Fund of the amount of 1,774,600 dollars, representing the

[4] See A/C.5/61/SR.

[5] A/60/612.

[6] To be adopted by the General Assembly.

estimated additional staff assessment income approved for the Operation for the period from 1 July 2006 to 30 June 2007;

26. *Decides* that, for Member States that have fulfilled their financial obligations to the Operation, there shall be set off against their apportionment, as provided for in paragraph 24 above, their respective share of the additional unencumbered balance in the amount of 115,500 dollars in respect of the financial period ended 30 June 2004, in accordance with the levels updated in its resolution 58/256, and taking into account the scale of assessments for 2004, as set out in its resolution 58/1 B;

27. *Also decides* that, for Member States that have not fulfilled their financial obligations to the Operation, there shall be set off against their outstanding obligations their respective share of the additional unencumbered balance in the amount of 115,500 dollars in respect of the financial period ended 30 June 2004, in accordance with the scheme set out in paragraph 26 above;

28. *Further decides* that, for Member States that have fulfilled their financial obligations to the Operation, there shall be set off against their apportionment, as provided for in paragraph 24 above, their respective share of the unencumbered balance and other income in the total amount of 31,523,100 dollars in respect of the financial period ended 30 June 2005, in accordance with the levels updated in its resolution 58/256, and taking into account the scale of assessments for 2005, as set out in its resolution 58/1 B;

29. *Decides* that, for Member States that have not fulfilled their financial obligations to the Operation, there shall be set off against their outstanding obligations their respective share of the unencumbered balance and other income in the total amount of 31,523,100 dollars in respect of the financial period ended 30 June 2005, in accordance with the scheme set out in paragraph 28 above;

30. *Also decides* that the decrease in the estimated staff assessment income in the amount of 583,800 dollars in respect of the financial period ended 30 June 2005 shall be set off against the credits from the amount of 31,523,100 dollars referred to in paragraphs 28 and 29 above;

31. *Emphasizes* that no peacekeeping mission shall be financed by borrowing funds from other active peacekeeping missions;

32. *Encourages* the Secretary-General to continue to take additional measures to ensure the safety and security of all personnel under the auspices of the United Nations participating in the Operation, bearing in mind paragraphs 5 and 6 of Security Council resolution 1502 (2003) of 26 August 2003;

33. *Invites* voluntary contributions to the Operation in cash and in the form of services and supplies acceptable to the Secretary-General, to be administered, as appropriate, in accordance with the procedure and practices established by the General Assembly;

34. *Decides* to keep under review during its sixty-first session the item entitled "Financing of the United Nations Operation in Burundi".

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Extension of the terms of the ad litem judges of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Letter dated 13 October 2006 from the President of the Security Council addressed to the President of the General Assembly

I have the honour to transmit the text of resolution 1717 (2006), adopted unanimously by the Security Council at its 5550th meeting, held on 13 October 2006.

Resolution 1717 (2006) reads as follows:

The Security Council,

Recalling its resolutions 955 (1994) of 8 November 1994, 1165 (1998) of 30 April 1998, 1329 (2000) of 30 November 2000, 1411 (2002) of 17 May 2002, 1431 (2002) of 14 August 2002, 1449 (2002) of 13 December 2002, 1503 (2003) of 28 August 2003 and 1534 (2004) of 26 March 2004,

Recalling that on 25 June 2003, the General Assembly by its decision 57/414 and in accordance with Article 12 ter, paragraph 1 (d) of the International Tribunal for Rwanda's Statute, elected from a list of candidates approved by the Security Council the following eighteen ad litem judges to a four-year term of office beginning on 25 June 2003 and to end on 24 June 2007: Mr. Aydin Sefa Akay (Turkey); Ms. Florence Rita Arrey (Cameroon); Ms. Solomy Balungi Bossa (Uganda); Mr. Robert Fremr (Czech Republic); Ms. Taghrid Hikmet (Jordan); Ms. Karin Hökborg (Sweden); Mr. Vagn Joensen (Denmark); Mr. Gberdao Gustave Kam (Burkina Faso); Ms. Flavia Lattanzi (Italy); Mr. Kenneth Machin (United Kingdom); Mr. Joseph Edward Chiondo Masanche (United Republic of Tanzania); Mr. Tan Sri Dato' Hj. Mohd. Azmi Dato' Hj. Kamaruddin (Malaysia); Mr. Lee Gacuiga Muthoga (Kenya); Mr. Seon Ki Park (Republic of Korea); Mr. Mparany Mamy Richard

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Rajohnson (Madagascar); Mr. Emile Francis Short (Ghana); Mr. Albertus Henricus Johannes Swart (Netherlands); and Ms. Aura E. Guerra de Villalaz (Panama),

Recalling that the Security Council by its resolution 1684 (2006) of 13 June 2006 extended the terms of the eleven permanent judges serving at the International Tribunal for Rwanda until 31 December 2008,

Recalling that the Security Council by its resolution 1705 (2006) of 29 August 2006 decided, notwithstanding the provisions of Article 12 ter of the Statute of the International Tribunal for Rwanda, and notwithstanding that Judge Bossa's elected term as an ad litem judge of the International Tribunal will end on 24 June 2007, to authorize her, effective 28 August 2006, to continue to serve as a judge in the *Butare* case until its completion,

Taking note of the letter to the President of the Security Council from the Secretary-General dated 2 October 2006,

1. *Decides* in response to the request by the Secretary-General and notwithstanding the provisions of Article 12 ter of the Statute of the International Tribunal for Rwanda, to extend until 31 December 2008 the term of office of the following ad litem judges of the International Tribunal who were elected on 25 June 2003:

- Mr. Aydin Sefa Akay (Turkey);
- Ms. Florence Rita Arrey (Cameroon);
- Ms. Solomy Balungi Bossa (Uganda);
- Mr. Robert Fremr (Czech Republic);
- Ms. Taghrid Hikmet (Jordan);
- Ms. Karin Hökborg (Sweden);
- Mr. Vagn Joensen (Denmark);
- Mr. Gberdao Gustave Kam (Burkina Faso);
- Ms. Flavia Lattanzi (Italy);
- Mr. Kenneth Machin (United Kingdom);
- Mr. Joseph Edward Chiondo Masanche (United Republic of Tanzania);
- Mr. Tan Sri Dato' Hj. Mohd. Azmi Dato' Hj. Kamaruddin (Malaysia);
- Mr. Lee Gacuiga Muthoga (Kenya);
- Mr. Seon Ki Park (Republic of Korea);
- Mr. Mparany Mamy Richard Rajohnson (Madagascar);
- Mr. Emile Francis Short (Ghana);
- Mr. Albertus Henricus Johannes Swart (Netherlands);
- Ms. Aura E. Guerra de Villalaz (Panama).

2. *Decides* in response to the request by the Secretary-General to allow ad litem Judges Bossa, Arrey, Lattanzi, Muthoga, Short, Hökborg, Hikmet, Kam and Park to serve in the International Tribunal for Rwanda beyond the cumulative period of service provided for under Article 12 ter of the Statute and until 31 December 2008;

3. *Requests* States to continue to make every effort to ensure that their nationals who were elected as ad litem judges of the International Tribunal for Rwanda remain available to serve until 31 December 2008;

4. *Decides* to remain seized of the matter.

(*Signed*) Kenzo **Oshima**
President of the Security Council

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Programme budget for the biennium 2006-2007

Fourth annual progress report on the implementation of the capital master plan

Report of the Secretary-General*

Summary

The fourth annual progress report on the capital master plan is submitted pursuant to section II, paragraphs 31 and 34, of General Assembly resolution 57/292. The report outlines the activities relating to the project undertaken since the issuance of the previous report (A/60/550 and Corr.1 and 2 and A/60/550/Add.1). During the year, the design of the renovation and related pre-construction and swing space activities progressed. Additional information on financing methodologies, as well as the updated scope and budget of the capital master plan, is provided, as requested by the General Assembly in its resolution 60/282.

A decision by the General Assembly on the financing of the capital master plan is required to ensure continuity of activities and completion of the project in 2014.

* The issuance of the present report was delayed owing to the need to complete consultations.

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I. Introduction

1. The General Assembly, in its resolution 60/282, approved strategy IV (phased approach) for the implementation of the capital master plan, including the phasing, swing space and cost, and decided to review the updated projected costs during the main part of its sixty-first session. The present report updates the total projected costs and provides information on various scope options, including security-related requirements, which are now recommended to be included in the project. The report also provides financing options and recommends a five-year assessment plan and the use of a letter of credit as the most appropriate financing mechanism.

II. Status of design and pre-construction work

2. A decision on strategy was requested in December 2005 but a strategy was not selected until June 2006. This six-month period was used to move along design development work in a strategy-neutral fashion. In this way, any negative impact on the schedule and the project budget was minimized.

Design of refurbishment

3. The design work for the capital master plan takes place in three phases: the preliminary phase (completed in 2002), the design development phase (to be completed in 2006) and the construction documents phase (scheduled to be completed in late 2007).

4. *Design development*. Completed and corrected design development documents for the major design contracts (renovation of the General Assembly and Conference buildings, basements, the North Lawn extension building and the Secretariat and South Annex buildings) were received by early March 2006. The documents were then revised to reflect a strategy-neutral approach to infrastructure. Design development documents for remaining areas and specialties are on a slightly later schedule.

5. *Construction documents*. The preparation of construction documents for the refurbishment work, in accordance with strategy IV, selected by the General Assembly in June 2006, began in August for the major design contracts and will be completed by late 2007. Construction documents for remaining areas and specialties will begin upon completion of the respective design development documents.

Design of swing space[1]

6. In the period from January to September 2006, contract amendments required for the necessary professional design services were completed, including space

[1] Swing space is temporary space used to accommodate people and activities displaced by the refurbishment. Strategy IV, a phased refurbishment, requires the leasing of approximately 228,000 square feet (21,182 square metres) of office space; 80,000 square feet (7,432 square metres) of library space; the temporary reconfiguration of the Dag Hammarskjöld Library building to accommodate temporary functions on site; and the construction of a 100,000-square-foot (9,290-square-metre) temporary conference building on the North Lawn.

programming, building criteria and design of fit-out for leased spaces and the new temporary conference building. The space programming and new building criteria services have commenced. The provision of design services for the new temporary conference building began in October. Design services for any fit-out required for leased space will follow the selection of actual sites.

Project management and advice

7. The selection of a construction manager, both for pre-construction advisory services and, if accepted, for construction management of the overall project, is under way, with an award anticipated by late 2006. Various related specialists and services have also been selected or are in the planning phases, in accordance with the projections provided in earlier reports.

Impact on the Organization

8. The coordinated replacement of furniture and equipment across all budgets in phases will continue to be requested in parallel with the capital master plan. The only new furniture provided for in the capital master plan is that for the three new mid-sized conference rooms and, in the swing space costs, supplemental furniture as required in the temporary conference building and 100 sets of office furniture to start the process of moving to the swing space.

9. The renovation work may require temporary increases in staffing in parts of the Organization that particularly support construction activities, such as the Department of Safety and Security and the Department of Management. The renovation work will have a negative impact on programmes that depend on a flow of visitors to the site, as access will be restricted during the renovation. Any such impacts will be incorporated into the relevant proposed programme budget submissions for the biennium 2008-2009 and beyond.

10. During the renovation period, every part of the complex will be affected, and great flexibility will be required. As noted previously, many activities will be limited and curtailed (A/60/550, paras. 9 (h) and 19). Coordinated planning within the Secretariat is under way to mitigate those impacts where possible and to organize activities so that the renovation can proceed as quickly as possible.

III. Current schedule for the project

11. The proposed schedules and related project budget presented in the third annual progress report (A/60/550 and Corr.1 and 2 and A/60/550/Add.1) were based on the assumption of a strategy decision being taken at the main part of the sixtieth session of the General Assembly (see ibid., para. 9 (a)). Although early activities will be initiated later than anticipated in that report, the selected strategy involves multiple activities occurring in parallel. Therefore it has been possible to re-phase the schedule to accommodate the later start dates while maintaining the project end date of early 2014. However, costs will be incurred later than anticipated, so the projections of the cash flow and the impact of cost escalation have been changed accordingly.

12. The anticipated schedule set out in table 1 is based on the assumption that decisions on financing methodology, scope and budget are made in the main part of the sixty-first session of the General Assembly. The participation of the construction manager in 2007 will undoubtedly result in adjustments to and refinements of the schedule.

Table 1
Anticipated schedule as at 1 August 2006

Activity	*Start*	*Complete*
Decision on financing renovation	—	December 2006[a]
Fit-out leased office space	Early 2007[b]	Late 2007
Fit-out leased library space	Mid-2007[b]	Late 2007
Early-action work (refurbish existing North Lawn building, add centralized technology centre)	Early 2008[c]	Late 2008
Construction of temporary conference building	Mid-2007	Mid-2008
Renovation of United Nations Headquarters	Early 2008	Mid-2014
• Basements/infrastructure	Mid-2008	Early 2011
• General Assembly building	Mid-2008[d]	Early 2011
• Conference building	Early 2011	Late 2013
• Secretariat building	Early 2008[e]	Late 2013
• South Annex building	Late 2013	Early 2014
• Library building	Late 2012	Late 2013
• Site/landscaping	Late 2012	Early 2014
Disassembly of temporary conference building	Late 2013	Late 2013

[a] Decision required for other activities.
[b] Depends on lease negotiation.
[c] If authorized as early work.
[d] Depends on completion of temporary conference building.
[e] Depends on completion of fit-out of leased office space.

IV. Swing space strategy

13. Based on the General Assembly's decision on strategy IV, a real estate search is being undertaken for off-site leased office and library space. Space will be

required from 2007 to 2014. It should be noted that in prior reports, both office and library swing space were grouped together under office swing space. They will now be identified separately.

14. It should also be noted that previous lease costs were based on a real estate search conducted in September and October 2005. During 2006, the asking rent for office space has increased. Of greater concern is that the supply of office space has been reduced, particularly for larger spaces. Furthermore, construction costs for interior renovations have risen. It may become more cost-effective to rent two office locations close to one another. However, there are additional one-time set-up costs for new United Nations occupancy at any site (e.g., communications and security), which could offset any long-term savings. Furthermore, a single office site is preferable in terms of effective staff interaction. Current cost projections for office swing space assume a single site in east midtown Manhattan, with 50 per cent of the space requiring interior fit-out.

15. Space availability for potential temporary library sites remains good, but costs have increased.

16. In order to maintain the overall project schedule, and in accordance with the authorization by the General Assembly, leases will be entered into for the most functional and cost-effective sites for both office and library space, with appropriate break-out clauses, should they be required. With respect to the relocation of meetings from the General Assembly building to a temporary conference building, expected in mid-2008, construction of the temporary conference building will proceed once the revised project budget and the funding mechanisms have been approved.

17. New projected figures for the swing space are included in the revised project budget and are described below.

V. Projected cost for implementing strategy IV

18. The budget of the capital master plan project of $1,587.8 million, as reported in the previous report (A/60/550), had increased to $1,646.3 million as at August 2006. The cost does not include the scope options that are recommended for approval, as set out in paragraphs 24 to 32 below. The changes have occurred in construction cost, contingencies, professional fees and management costs, forward pricing escalation and swing space. Some of the changes are a result of transfers among those categories, as explained below. Changes and transfers of costs among the above-mentioned categories are set out in table 2.

Construction cost

19. The present estimate for construction has increased by $4.5 million. That estimate is based on the revised design development documents for the General Assembly, Conference, Secretariat and South Annex buildings, as well as basements, infrastructure and security (approximately 85 per cent of the project), and is based on January 2006 construction prices. The previous construction estimate was based on January 2005 prices.

Contingencies

20. The present estimate for the design and construction contingencies is reduced by $16.5 million from previous figures. This reflects a transfer of $14.8 million from forward pricing escalation to reflect an update to January 2006 prices, a reduction of $31.3 million based on the stage of completion of the design work and an update to reflect actual fees. As the design work progresses, the level of uncertainty as to construction costs and related professional fees and management costs is reduced.

Professional fees and management costs

21. The present estimate for professional fees and management costs has increased by $62.6 million from previous figures, which is in large part due to a different representation of figures and does not represent an actual increase. The $62.6 million increase can be explained as follows:

(a) Prior fee forecasts did not include escalation to the end of the project, as escalation was accounted for in a separate line item. The majority of the design contracts, as they stand now, include escalation to the end of the project, and therefore those costs are now included in the professional fees section of the budget. A total of $40.2 million has been transferred from forward pricing escalation to professional fees and management costs in this manner;

(b) Additional monies have been allocated for construction manager fees to reflect the present market conditions, an addition of $6.4 million;

(c) The cost of on-site relocations, totalling $7.0 million, had not been included previously. These costs could be requested in the proposed programme budget, but it is felt that because of both their tracking and their timing, they are more appropriately included in the capital master plan budget;

(d) Allowances were made for potential additional expert services, testing costs and legal and other projected expenses, totalling $9.0 million.

Forward pricing escalation

22. The present forecast for forward pricing escalation shows a net decrease of $42.3 million. The adjustments take into account a transfer of $58.8 million to construction costs, reflecting the update to January 2006 construction prices; a transfer of $14.8 million to contingencies as described above; a transfer to professional fees and management costs of $40.2 million as described above; and an increase of $71.5 million based on industry-led forward pricing escalation for the anticipated duration of the project.

Swing space

23. Following the direction to proceed with strategy IV, the costs of leases and construction for the various requirements were reviewed in the context of the

present market. The present forecast for swing space has increased by $50.2 million. The increase can be summarized as follows:

(a) The total cost presented for combined office and library swing space was $109.6 million (see A/60/550, table 1). This consisted of $96.4 million for office space and $13.2 million for the library (including fit-out of the existing library for temporary uses on-site);

(b) The current projection for office swing space is $129.0 million, compared to the prior figure of $96.4 million for the entire period, assuming a single east midtown Manhattan site, with approximately 50 per cent of the space requiring interior fit-out (included in the estimate);

(c) Rental sites for a temporary library function, which will necessarily be supplemented by a small satellite library function on-site, have also increased in cost. All sites identified will require entirely new ventilation and cooling systems for the occupants and collections. Fit-out costs have therefore increased, as have local costs. The projected cost of library swing space for the entire period is therefore $19.4 million, compared to the prior figure of $13.2 million;

(d) The cost of a temporary conference building on the North Lawn has increased and now totals $66.1 million, compared to the prior figure of $54.7 million. The change is the result of an escalation in local construction costs as well as a provision for subsurface water conditions, which may affect the final construction cost. As the design progresses, that figure will be refined;

(e) It should be noted that contingencies, professional fees and management costs and forward pricing escalation for the swing space continue to be included in swing space costs.

Table 2
Summary of changes in estimated costs for strategy IV
(Millions of United States dollars)

	A/60/550	*Change*	*Current*
Construction cost	734.6		
Transfer from forward pricing escalation		58.8	
Adjustment based on revised design development documents		(54.3)	
Net change		**4.5**	**739.1**
Contingencies	184.4		
Transfer from forward pricing escalation		14.8	
Adjustment based on stage of completion of design work		(31.3)	
Net change		**(16.5)**	**167.9**
Professional fees, management costs	144.3		
Transfer from forward pricing escalation		40.2	
Additional allowance for construction manager		6.4	

	A/60/550	Change	Current
Additional costs for on-site relocations		7.0	
Allowances for potential additional expert services		9.0	
Net change		**62.6**	**206.9**
Forward pricing escalation	360.2		
Transfer to construction cost		(58.8)	
Transfer to contingencies		(14.8)	
Transfer to professional fees, management costs		(40.2)	
Adjustment based on industry-led forward pricing escalation		71.5	
Net change		**(42.3)**	**317.9**
Subtotal, renovation estimate	**1 423.5**	**8.3**	**1 431.8**
Swing space			
Office swing space	96.4	32.6	129.0
Library swing space	13.2	6.2	19.4
Conference swing space	54.7	11.4	66.1
Subtotal, swing space estimate	**164.3**	**50.2**	**214.5**
Total estimate (excluding scope options)	**1 587.8**	**58.5**	**1 646.3**

Scope options

24. It is strongly recommended that the following items, previously considered as scope options, be added to the scope of the base project. Scope options in the areas of additional security, redundancy and contingency ("back-up systems") and sustainability were developed separately from the base scope of the capital master plan. The allowance for those scope options was $161.0 million (see ibid., para. 9 (f)). Based on escalation alone, that allowance figure would be $185.5 million as at 1 August 2006.

25. Since the development of the scope options allowance in 2002, the options have been studied in further detail. A new blast assessment was conducted, which resulted in significant additional recommendations for structural strengthening for blast resistance. It is strongly recommended that the scope options be approved in the total amount of $230.4 million, as described below.

Tier 1

26. *Additional blast protection*, particularly relating to perimeter threats. A certain degree of additional blast protection had been previously included in the scope options for additional security, but the blast assessment conducted during the design development process resulted in a recommendation for a significant increase by the professional security firm, which was subsequently endorsed by the Department of Safety and Security. The cost of this work is estimated to be $70.5 million.

27. *Additional redundancy*. During the period in which the capital master plan has been in development, improvements in back-up measures for building operations and information technology systems have been made. Whereas such measures were generally regarded as optional when they were first proposed, they are now commonly considered a reasonable minimum requirement for continuity in the event of equipment or utility failure. The estimated cost for this group of options is $22.0 million.

Tier 2

28. *Security*. Further security options include structural strengthening of various components of the existing structure to provide greater blast resistance to the extent possible in a renovation of an existing structure. The cost estimate for this group of options is $95.5 million.

29. *Redundancy and contingency*. The remaining scope options are items that would improve the reliability of electrical systems, air conditioning for critical spaces and life safety systems during emergencies or external utility failures. It is recommended that these options be added to the project, as they would be a prudent investment in the ability of the Organization to continue to function in the event of internal or external system failure. Although modern systems are more reliable than the ageing equipment presently in service at United Nations Headquarters, events over the past two years have also highlighted the vulnerability of external systems and the disruption to the work of the Organization that such external failures can cause. The cost estimate for this group of options is $14.5 million.

30. *Sustainability*. Sustainability options are initiatives that would add to the environmentally responsible efforts of the project. They comprise advanced technologies or items that are feasible for use at the Headquarters complex and that are environmentally advantageous without necessarily resulting in significant operating savings. Since the replacement of inefficient equipment and systems is part of the base scope and the capital master plan will be a major step forward in sustainability, the effective and achievable remaining items in the scope options for sustainability are fewer than anticipated in 2002. The cost estimate for this group of options is $27.9 million.

Table 3
Scope options
(Millions of United States dollars)

	Security options	*Redundancy options*	*Sustainability options*	*Total*
Resolution 57/292 options allowance	30.0	75.0	39.0	144.0
A/60/550 options allowance	33.5	84.0	43.5	161.0
A/60/550 plus escalation options allowance	39.0	96.5	50.0	185.5
Tier 1 scope options	70.5	22.0	—	92.5
Tier 2 scope options	95.5	14.5	27.9	137.9
Total updated scope options				**230.4**

31. It is recommended that the scope options, amounting to $230.4 million, be approved. These items will not be readily achievable as stand-alone projects, and the capital master plan is therefore a unique opportunity to make advances in those areas.

32. Further details on scope issues and options are included in annex I.

Table 4
Estimated costs for strategy IV
(Millions of United States dollars)

	A/60/350	*Change*	*Current*
Construction cost	734.6	4.5	739.1
Contingencies	184.4	(16.5)	167.9
Professional fees, management costs	144.3	62.6	206.9
Forward pricing escalation	360.2	(42.3)	317.9
Subtotal, renovation estimate	**1 423.5**	**8.3**	**1 431.8**
Swing space			
Office swing space	96.4	32.6	129.0
Library swing space	13.2	6.2	19.4
Conference swing space	54.7	11.4	66.1
Subtotal, swing space estimate	**164.3**	**50.2**	**214.5**
Total estimate*	**1 587.8**	**58.5**	**1 646.3**
Scope options	161.0	69.4	230.4
Total with all scope options	**1 748.8**	**127.9**	**1 876.7**

* Does not include scope options.

VI. Financing options

33. In paragraph 18 of its resolution 60/282, the General Assembly stated that the issue of funding of the capital master plan, including the credit facilities or instruments referred to in the previous report (ibid., para. 35), as well as the feasibility of a one-time upfront payment option, would be considered at its sixty-first session. In the same paragraph, the Assembly also requested the Secretary-General to propose a mechanism that would ensure that Member States that paid their capital master plan assessments in full and on time would not bear any financial liabilities as a result of the use of such credit facilities or instruments. In paragraph 17 of the same resolution, the Assembly recognized that the cash payment option, based on a one-time assessment or multi-year assessments, would be the simplest and the most cost-effective approach for meeting the costs of the capital master plan.

34. Under all the options for funding the capital master plan that are discussed below, the related expenses would be apportioned among Member States pursuant to

the provisions of Article 17 of the Charter of the United Nations and the related assessments would fall under the provisions of Article 19.

Construction industry requirements

35. As noted in the third progress report (ibid., paras. 24-35), construction industry practice in the United States of America requires the building owner to demonstrate full financial capability to complete the project. To show evidence of such financial capability, the United Nations would need to be able to demonstrate the availability of funds for the project by such evidence as cash on deposit for the total amount of the construction or letter of credit facilities for the total amount of the construction project less cash on hand. Cash on hand may be received by the methods described in paragraph 42 below — a one-time cash assessment, multi-year cash assessments, a mix of one-time assessments and multi-year assessments and the establishment of a working capital reserve. If all Member States were assessed one time and all paid on time and in full, a letter of credit facility would not need to be established. With both multi-year assessments and a mix of one-time and multi-year assessments, a letter of credit facility would need to be established for the total amount of construction costs less assessments and working capital reserve paid.

Internationally syndicated letter of credit

36. It is expected that any letter of credit would be put to bid through the procurement process. The letter of credit facility would be required to be valid for the duration of the construction contract; however, it would be on a reducing-balance basis, as the unpaid balance of the construction costs would decline over the construction period.

Credit facility establishment and ongoing fees

37. The establishment of a credit facility will incur a fee. Depending on the level of credit established and market conditions, the fee is estimated to be between 0.05 and 0.5 per cent of the value of the credit facility at the start of each year, with estimated total fees of between $3.0 million and $21.0 million. Fees are payable quarterly and in advance. In addition, management fees and amendment charges may be incurred. These are not included in the indicative percentage rates and are dependent on actual usage. The amount of the fee incurred will be larger in the earlier years of the project and will be reduced as construction is completed. It is suggested that Member States be assessed their share of the credit facility fees at the beginning of each calendar year based on the anticipated quarterly fees for the following year, and on the basis of the scale of assessments to be agreed upon.

Credit facility establishment and ongoing charges

38. A drawdown of the letter of credit would be considered a loan and would therefore incur charges. It should be noted that the ability to draw down from the letter of credit facility would require specific approval by the General Assembly. As noted in Assembly resolutions 1341 (XIII) of 13 December 1958 and 1448 (XIV) of

5 December 1959, the Secretary-General has been granted authority to borrow cash from special funds and accounts in his custody only for purposes that normally relate to the Working Capital Fund and for short-term loans from Governments. Charges incurred on any letter of credit drawdown would be based on the London Inter-Bank Offered Rate plus a margin. Charges accrue in arrears on a daily basis and must be paid either when the loan is repaid or at six-month intervals. Any such charges would be in addition to the approved capital master plan budget. In its resolution 60/282, the General Assembly requested the Secretary-General to make proposals to ensure that any such charges would not be a charge on Member States that had paid their capital master plan assessments on time and in full. A possible mechanism to achieve this result is outlined below.

Mechanism for charging credit utilization charges

39. As mentioned in paragraph 33 above, the General Assembly requested the Secretary-General to propose a mechanism to ensure that Member States that pay their assessed contributions for the capital master plan in full and on time would not bear any financial liabilities as a result of the use of credit facilities or instruments. Financial regulation 3.4 states "contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Secretary-General ...". In order to devise a mechanism to achieve the desired result, consensus needs to be reached on the definition of "on time and in full". Such a mechanism would also have to be approved as an exception to the normal application of the Financial Regulations and Rules, in particular regulation 3.1. It is also suggested that, owing to the special treatment of charges that may be incurred with any utilization of credit facilities for the capital master plan and the need to have a consistent date for the implementation of those proposals, specifically for the capital master plan assessments, and notwithstanding the provisions of financial regulation 3.4, assessments for the capital master plan shall be considered as due and payable in full within 30 days of the issuance of the related communication of the Secretary-General. If a Member State only partially pays an assessment within the 30-day period, it would be considered not to have paid on time and in full.

40. The General Assembly may wish to decide to authorize the Secretary-General to apportion the amount of the charges arising from the utilization of the letter of credit annually in arrears among those Member States that did not pay their assessed contributions for the capital master plan in full and on time, as defined in paragraph 39 above. In order to reflect the impact of non-payment of assessed contributions on the need to draw on the letter of credit, one approach would be to calculate each Member State's share of those charges monthly, based on the charges levied in that month and on its share of the total contributions outstanding for the capital master plan. In making such calculations, the average of opening and closing balances each month could be used to reflect payments made during the month. The first such calculation would be done at the end of the month in which the annual assessments for the capital master plan became due and payable, and monthly thereafter. As noted above, the assessment would be issued annually in arrears based on the monthly calculations during the year in question.

41. The Secretary-General would subsequently report to the General Assembly each year on the amounts incurred through any use of a credit facility during the

previous calendar year and on its apportionment among Member States that did not pay their assessed contributions for the capital master plan on time and in full.

Assessments on Member States

42. It will be necessary for Member States to make a decision on one of the following assessment options:

(a) *One-time cash assessment*. This is a one-time upfront assessment for each Member State's share of the capital master plan costs, based on the scale of assessments in place when the assessment is made. An example of the impact of a one-time assessment for Member States was provided in supplementary information provided to the Fifth Committee dated 22 March 2006 (addendum 4, annex IV). It should be noted that any change in the scale of assessments for 2007 would alter those amounts. To date, the General Assembly has appropriated $8.0 million for the capital master plan under the section of the programme budget entitled Construction, alteration, improvement and major maintenance (res. 55/238, sect. IV, para. 3). There have been five separate assessments totalling $152.0 million under the capital master plan, leaving a balance of $1,716.7 million to be assessed for projected costs (exclusive of letter of credit facility fees, which will be determined on the basis of utilization levels and market rates);

(b) *Multi-year cash assessments*. There are several possible scenarios for the phasing of multi-year cash payment options, which have different impacts on the cash flow owing to the possibility of temporarily investing free funds. The alternatives provided in annex II for phasing the multi-year cash payment option have been developed in response to requests by Member States made during informal consultations of the Fifth Committee during the review of the second and third progress reports at the fifty-ninth and sixtieth sessions of the General Assembly. If a multi-year assessment plan is agreed, the length of time over which assessments will be made needs to be decided upon. All scenarios assume that Member States will pay their assessments on time and in full. As there is no reason to expect that capital master plan assessments will not experience the same sort of slow payment or non-payment as other accounts, and if a multi-year assessment plan is selected by Member States, the Secretary-General recommends a five-year assessment period;

(c) *Mix of one-time and multi-year assessments*. Under this option individual Member States will each be able to decide whether their capital master plan assessment will be a one-time upfront payment or will be assessed over a multi-year period. If it is decided that Member States can select either one-time or multi-year cash assessments, for 2007 the initial assessment would be issued during the first half of the year to enable Member States time to make their selection. For all multi-year assessments other than those for 2007, the expected date of issuance of assessments would be in January of each year. If Member States select this mix of one-time cash assessment and multi-year cash assessments, there would be a number of issues to be resolved, namely:

(i) Election of option and associated time frame — if a mix of one-time and multi-year assessments is selected, Member States would need to decide which option they would choose. Once a decision is made, it will be irrevocable. It is recommended that Member States be given a period of 60 days to make their

selection. If no response is received, it will be assumed that multi-year cash assessments have been selected, and those Member States would be placed on the corresponding track;

(ii) As the scale of assessments usually changes every three years and as the multi-year assessment period is expected to be longer than three years, gains and losses may occur as the scale of assessments changes between Member States that select a one-time assessment and those that select a multi-year assessment. An example for illustrative purposes is provided in annex III. There are alternatives to resolve this issue, namely:

- For the life of the capital master plan project, fix the scale of assessments at the scale set for 2007.
- On the assumption that the 2007 scale will also apply to 2008 and 2009, use a period of three years for the multi-year assessment.
- The total amount payable could be fixed using initial assessment rates for 2007 for those Member States being assessed on an annual basis. For those payers, the total annual amounts could then be prorated according to the rate of assessment each year. This means that those selecting a one-time payment would have no change in their assessment; however, those selecting a multi-year assessment may see a change as the scale of assessments changes.

43. It should be noted that the issue of any new Member States is not raised in any of the above scenarios.

Working capital reserve

44. As noted previously (ibid., para. 29), the creation of a working capital reserve for the capital master plan is essential. The main purpose of such a reserve is to cover temporary cash flow deficits and facilitate advance procurement or accelerated construction activity. For any cash shortfall, funds from the reserve would be used before drawing down from a credit facility. The amount of the estimated reserve is based on 20 per cent of the estimated average annual expenditures, totalling $45 million. The level of reserve is contingent upon Member States paying their assessed contributions on time and in full. The reserve would be financed through a separate assessment in 2007 on Member States and managed in accordance with provisions of financial regulations 3.5, 4.2 and 4.3. The reserve would be phased out at the end of the construction phase of the project and the related contributions credited back to Member States.

VII. Status of appropriations and expenditures

45. The total appropriation to date is $152.0 million, broken down as follows:

(a) In its resolution 57/292, the General Assembly appropriated $25.5 million for the design development phase of the capital master plan and authorized commitments of up to $26.0 million for the biennium 2004-2005 for the preparation of construction documents;

(b) In its resolution 59/295, the Assembly decided to convert $17.8 million of the $26.0 million commitment authority into an appropriation and renewed the existing commitment authority for 2006 for the balance of $8.2 million;

(c) In its resolution 60/248, the Assembly decided to convert the balance of the existing commitment authority of $8.2 million into an appropriation for 2006;

(d) In its resolution 60/256, the Assembly appropriated an additional $23.5 million for financing the design and pre-construction phases of the capital master plan, including swing space requirements, and provided commitment authority for up to $77.0 million for the biennium 2006-2007 to provide for the construction, fit-out and related requirements of a conference swing space building on the North Lawn and for the leasing, design pre-construction services, fit-out and related requirements of library and office swing space for the capital master plan;

(e) Finally, in its resolution 60/282, the Assembly decided to convert the existing $77.0 million commitment authority into an appropriation, to be assessed in 2006.

46. Actual expenditures as at 31 July 2006 amount to $45.9 million; this consists of actual expenditures of $3.2 million in 2003, $14.8 million in 2004, $6.5 million in 2005 and $21.4 million in 2006 up to 31 July. For the remainder of 2006, it is now expected that an additional $34.4 million will be spent, bringing the total 2006 estimated expenditures to $55.8 million. This is $71.1 million less than had been anticipated in the previous report. It should be noted in connection with this estimated underexpenditure that it had previously been planned to commence the construction and fit-out of the temporary conference swing space building, the pre-construction services and fit-out of library and office swing space, the construction documents phase for the exterior envelope contract and the design development phase for the other remaining contracts in 2006. However, under the current schedule they will likely occur in early 2007. Expenditures for the period 2003-2006 are detailed in table 5. This pattern of expenditures is based on strategy IV.

Table 5

Expenditures for the period 2003-2006 for the design development and construction documents phases

(Thousands of United States dollars)

	2003[a]	*2004*[a]	*2005*[a]	*January-July 2006*[a]	*August-December 2006*[b]	*Total*
Design contractual services	612.1	9 573.9	2 724.1	15 515.2	10 703.0	39 128.3
Direct staff costs	1 611.1	1 720.9	1 458.3	881.2	733.0	6 404.5
Support costs	180.6	574.2	593.4	213.1	434.1	1 995.4
Operating and other costs	556.0	589.3	478.1	536.5	80.0	2 239.9
Programme management and consultants	245.7	2 378.5	752.9	4 204.0	900.0	8 481.1
Construction manager	—	—	—	—	2 000.0	2 000.0
Swing space cost	—	—	506.3	—	19 598.0	20 104.3
Total	**3 205.5**	**14 836.8**	**6 513.1**	**21 350.0**	**34 448.1**	**80 353.5**

[a] Actual.

[b] Projected.

47. Under the current schedule, the construction documents phase is expected to be completed in late 2007. Expenditures estimated at $113.4 million will be incurred in 2007 to complete the design phase and for the construction, fit-out and related requirements of a conference swing space building on the North Lawn and pre-construction services, fit-out and related requirements of library and office swing space. This brings the total projected expenditures for the period 2003-2007 for the design development and construction documents phases to $193.7 million (see table 6).

Table 6
Expenditures for the period 2003-2007 for the design development and construction documents phases
(Thousands of United States dollars)

	2003-2005[a]	*2006*[b]	*2007*	*Total*
Design contractual services	12 910.1	26 218.2	4 506.7	43 635.0
Direct staff costs	4 790.3	1 614.2	2 272.9	8 677.4
Support costs	1 348.2	647.2	1 522.2	3 517.6
Operating and other costs	1 623.4	616.5	842.8	3 082.7
Programme management and consultants	3 377.1	5 104.0	3 976.6	12 457.7
Construction manager	—	2 000.0	—	2 000.0
Swing space cost	506.3	19 598.0	100 236.4	120 340.7
Total	**24 555.4**	**55 798.1**	**113 357.6**	**193 711.1**
Total approved appropriation				**152 000.0**
Appropriation required for 2007				**42 000.0**

[a] Actual.
[b] Actual and projected (see table 5).
[c] Projected.

48. It should be noted that the appropriation and expenditure figures cited in section VII and shown in tables 5 and 6 do not include the $8.0 million appropriated by the General Assembly in its resolution 55/238. However, the expenditure of $8.0 million is included in the total revised project budget of the capital master plan, including the scope options recommended for approval, of $1,876.7 million, as well as in the multi-year cash assessment scenario presented in annex II.

VIII. Advisory board

49. The Secretary-General continues his efforts to create an advisory board (see ibid., para. 50), as requested repeatedly by the General Assembly, the external and internal auditors and the Advisory Committee on Administrative and Budgetary Questions.

50. The reasons stated previously for the difficulty experienced in achieving this goal (see ibid., para. 49) so far continue to apply. Efforts to set up a full board will continue.

IX. Procurement

51. All contract information for procurement related to the capital master plan since its inception is now posted on the Procurement Service website. The information can be accessed via the capital master plan website (http://www.un.org/cmp) or the Procurement Service website (http://www.un.org/depts/ptd/cmp.htm). The information listed includes the names and countries of origin of vendors, the number and description of the contracts, the contract award dates and the dates of the latest amendments, the current value and status of the contracts and the original invitation to bid or request for proposal numbers.

52. In the selection of a construction management firm, the planned approach and the qualifications of personnel to be assigned the responsibility of providing procurement opportunities in accordance with relevant General Assembly resolutions are considered as part of the overall proposal. Providing such opportunities is part of the scope of the construction manager's services.

X. Financial disclosure

53. All capital master plan staff who are required to file financial disclosure statements in accordance with General Assembly resolutions have filed such statements within the required time frame. Other capital master plan staff who in some way take part in the requisitioning process have filed as requested by their head of department.

XI. Conclusions and recommendations

54. The capital master plan renovation is important for the safety of all United Nations Headquarters occupants. An agreement on the strategy has been reached and it is now critical for the General Assembly to decide on the funding mechanism for the renovation. The renovation work will continue on the projected schedule once this decision has been made.

55. **The Secretary-General recommends that the General Assembly:**

(a) **Approve the capital master plan, including the recommended scope options, to be completed during the period 2006-2014, at a total revised project budget not to exceed $1,876.7 million (exclusive of any credit facility charges);**

(b) **Approve the funding for the capital master plan based on one of the following alternatives, as outlined in paragraph 42:**

(i) **A one-time cash assessment;**

(ii) **Multi-year cash assessments;**

(iii) **A mix of one-time and multi-year assessments;**

(c) **Approve the establishment of a letter of credit facility and approve any drawdowns under the letter of credit solely for the purpose of funding the capital master plan;**

(d) **Appropriate an amount of $45 million for the purpose of establishing a working capital reserve under the capital master plan account to be operated under the terms of financial regulations 3.5 4.2 and 4.3;**

(e) **Decide that the appropriation of $45 million for the purpose of establishing a working capital reserve under the capital master plan account shall be financed in accordance with financial regulation 3.1 through an assessment on Member States in 2007 on the basis of the regular budget scale of assessments in effect for that year;**

(f) **Appropriate an amount of $42.0 million;**

(g) **Decide that notwithstanding financial regulation 3.4, assessments for the capital master plan shall be considered as due and payable in full within 30 days of the date on which the assessment notices were issued;**

(h) **Decide that notwithstanding financial regulation 3.1, charges resulting from any drawdown from a credit facility should be apportioned among Member States that have not paid their assessments for the capital master plan on time and in full, as defined in subparagraph (g) above. This apportionment would be based on monthly calculations using the total charges levied during the month and the share of each Member State concerned with respect to total outstanding assessed contributions for the capital master plan.**

Annex I

Scope issues and options

A. Issues

1. In the process of completing design development documents, several scope refinements and clarifications were made. These are included within the budget figures provided in the present report. They are as follows:

(a) Ventilation system design throughout the complex is based on the assumption that United Nations Headquarters will meet local codes and standards relating to smoking and would comply with environmental standards. Both require no smoking within the facility. Should that standard be changed, the objective of code compliance could not be met, environmental standards could not be met, and the additional cost would be approximately $86 per square foot ($937 per square metre) of space to provide appropriate additional ventilation. As an example, if the North Delegate's Lounge, a double-height space, were ventilated for smoking, it would require a budget increase of approximately $1.2 million;

(b) In accordance with strategy IV, the phased approach will require the placement of additional equipment on the roof of the Secretariat building. Base requirements for redundancy for life-safety systems will require the placement of equipment on the roof of the South Annex building. Both locations will be suitably screened, and both will require structural reinforcing;

(c) Three new mid-sized meeting rooms are planned to be located on the first basement level of the General Assembly building, in the present location of the broadcast facilities. Owing to physical constraints, one of the three rooms (to be known as Conference Room 11) will not be able to have interpretation. The Department for General Assembly and Conference Management has reviewed the design and concurs that the new facility will meet recurring needs. The other two new conference rooms will be able to be combined easily;

(d) The design of two additional larger conference rooms in the current parking garage, including a multi-function hall and a large conference room, has not been undertaken. Those rooms had been included in the capital master plan design work as a contingency plan, in accordance with section II, paragraph 11, of General Assembly resolution 57/292. Given the other budget issues and the concern expressed in paragraph 16 of the same resolution regarding parking space, adding those rooms to the scope does not appear feasible, and therefore they have not yet been pursued;

(e) It is intended to follow a local environmental standard entitled "leadership in energy and environmental design", known as LEED, with a goal of reaching the "silver" level. However, it is not intended to formally request review of compliance with the standard from the organization that administers it;

(f) The design and planning include a non-governmental resource centre on-site. Funds were requested to relocate the facility off-site owing to security concerns (see A/56/848, annex I, para. 40 (a) (vi)). This did not occur in the security-strengthening project. The work was deferred to the capital master plan, and funds were not expended. The Department of Safety and Security has since advised that

the facility could be managed from within the complex and suggested that it be included in the functional programming, and planning has been adjusted accordingly. Similarly, earlier design phases had assumed that the after-school programme would be relocated off-site for security reasons. However, security planning has changed, and a location for the facility will be found;

(g) It was proposed to provide ballistic partitioning within the Security Council, Trusteeship and Economic and Social Council chambers and the General Assembly Hall (ibid., para. 40 (a) (iii)). This was deferred to the capital master plan. The initial concept proved difficult to achieve. As a result, in the Security Council and Trusteeship Council chambers, a viewing location will be created from the third-floor corridor. It is not possible to create such a viewing window into the Economic and Social Council Chamber. In the General Assembly Hall, separation will occur by means of a partition at the rear of the third-floor balcony;

(h) As a contingency, planning and design will be undertaken for a security screening building at the northern end of the site. It may be recalled that the General Assembly has welcomed the offer of the donation of a new visitors' building (see resolution 56/236), which would include space for security screening as well as retail and exhibition space. However, since security screening at that location is essential and the donation is not certain, it is considered to be prudent to plan for and design a screening building as a contingency measure. The actual construction cost, estimated at approximately $11.0 million, has not been included in the revised budget pending a firm direction from the potential donor. Since, in order to avoid conflict with the temporary conference building and renovation access, this building would be the last element of the construction, the issue will be raised again in subsequent reports.

B. Tier 1 options

2. *Security*. The first tier includes strengthening of the west wall of the General Assembly building, the wall between the FDR Drive and the United Nations service drive and replacement of all glass façades. Among the options is an increase in protection above the FDR Drive, which can be undertaken only in coordination with the local authorities. That coordination is under way. Among the scope options considered in earlier phases was the possibility of having physical means of limiting or closing down traffic on First Avenue. However, the Department of Safety and Security now believes that methods employed by the host country are effective, and this particular option has not been pursued.

3. *Redundancy and contingency*:

(a) Semi-centralized uninterruptible power source distribution — this would provide a source of transitional power in an emergency, until emergency generators are online, that is easier to maintain than a totally decentralized system and hence would be more reliable in the long term;

(b) Diverse service entry for voice/data — this would provide redundancy in the event of failure of incoming service and would be an improvement in reliability which, given the dependence of any modern organization on voice and data communications, should be considered basic essential work;

(c) Dual-service for all on-floor technical rooms — this would provide immediate continuity in the event of equipment problems;

(d) Dedicated emergency generator in the centralized technology centre — of all of the solutions to providing reliable emergency power for the new centralized technology centre, a separate generator has proven to be the most practical and cost-effective.

C. Tier 2 options

4. *Security*. This tier relates to strengthening of the structural components of buildings, which is work that is feasible only in the context of complete renovation. It would involve almost every building, particularly at specific floor slabs and columns.

5. *Redundancy and contingency*. In every case, the options would bring the systems and equipment to a level that would be considered a prudent basis for design if the complex were being newly constructed:

(a) Increased coverage or reliability of emergency power;

(b) Improved sprinkler/standpipe coverage or reliability;

(c) Added reliability for air conditioning/heating in an emergency or equipment failure, particularly for mission-critical spaces;

(d) Improved communications capability in emergencies;

(e) Fire safety exceeding building code requirement (stair pressurization).

6. *Sustainability*. The options are above and beyond the expectations for a renovation, but provide examples of sustainable design and environmental consciousness:

(a) Solar: window film, lighting for flags and power for the fountain;

(b) Lower water usage in toilets and cooling tower equipment and on-site storm-water retention;

(c) Higher-efficiency equipment or systems, including turbines, transformers, cooling, lighting and dehumidification equipment and motors;

(d) Different fuel — biodiesel for generator use;

(e) Waste reduction through composting of cafeteria waste;

(f) Improved indoor air quality through a passive green wall;

(g) Reduction of chlorofluorocarbons through early replacement of the chiller with a steam absorption chiller in the central plant.

Annex II

Strategy IV (phased approach): multi-year cash assessment scenario

(Millions of United States dollars)

	2001-2005	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	***Total***
Alternative A: 14.3 per cent per year of the 2007-2014 costs for the first seven years of construction											
Expenditure	32.5	55.8	113.4	150.7	400.4	323.3	246.9	212.0	309.1	32.6	**1 876.7**
Percentage received each year	—	—	14.3	14.3	14.3	14.3	14.3	14.3	14.3	—	—
Assessment/funds received	43.3	108.7	246.4	246.4	246.4	246.4	246.4	246.4	209.4		**1 839.7**
Funds in reserve by year's end	10.8	63.7	198.9	301.6	158.1	86.7	89.2	126.7	31.5	—	—
Estimated interest earned	—	2.2	7.0	10.6	5.5	3.0	3.1	4.4	1.1	—	**37.0**
Alternative B: 16.7 per cent per year of the 2007-2014 costs for the first six years of construction											
Expenditure	32.5	55.8	113.4	150.7	400.4	323.3	246.9	212.0	309.1	32.6	**1 876.7**
Percentage received each year	—	—	16.7	16.7	16.7	16.7	16.7	16.7	—	—	—
Assessment/funds received	43.3	108.7	287.4	287.4	287.4	287.4	287.4	220.8	—	—	**1 810.0**
Funds in reserve by year's end	10.8	63.7	240.0	385.2	285.6	259.8	309.4	329.0	31.5	—	
Estimated interest earned	—	2.2	8.4	13.5	10.0	9.1	10.8	11.5	1.1	—	**66.6**
Alternative C: 20.0 per cent per year of the 2007-2014 costs for the first five years of construction — recommended option											
Expenditure	**32.5**	**55.8**	**113.4**	**150.7**	**400.4**	**323.3**	**246.9**	**212.0**	**309.1**	**32.6**	1 876.7
Percentage received each year	—	—	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	—	—	—	—
Assessment/funds received	**43.3**	**108.7**	**344.9**	**344.9**	**344.9**	**344.9**	**250.0**	—	—	—	1 781.7
Funds in reserve by year's end	**10.8**	**63.7**	**297.5**	**502.2**	**464.2**	**502.1**	**522.8**	**329.0**	**31.5**	—	—
Estimated interest earned	—	**2.2**	**10.4**	**17.6**	**16.2**	**17.6**	**18.3**	**11.5**	**1.1**	—	94.9

	2001-2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
Alternative D: 25.0 per cent per year of the 2007-2014 costs for the first four years of construction											
Expenditure	32.5	55.8	113.4	150.7	400.4	323.3	246.9	212.0	309.1	32.6	**1 876.7**
Percentage received each year	—	—	25.0	25.0	25.0	25.0	—	—	—	—	—
Assessment/funds received	43.3	108.7	431.2	431.2	43 .2	309.2	—	—	—	—	**1 754.7**
Funds in reserve by year's end	10.8	63.7	383.7	677.6	732.1	743.6	522.8	329.0	31.5	—	—
Estimated interest earned	—	2.2	13.4	23.7	25.6	26.0	18.3	11.5	1.1	—	**121.9**
Alternative E: 33.3 per cent per year of the 2007-2014 costs for the first three years of construction											
Expenditure	32.5	55.8	113.4	150.7	400.4	323.3	246.9	212.0	309.1	32.6	**1 876.7**
Percentage received each year	—	—	33.3	33.3	33.3	—	—	—	—	—	—
Assessment/funds received	43.3	108.7	574.9	574.9	427.2	—	—	—	—	—	**1 729.0**
Funds in reserve by year's end	10.8	63.7	527.4	970.1	1 030.9	743.6	522.7	329.0	31.5	—	—
Estimated interest earned	—	2.2	18.5	34.0	36.1	26.0	18.3	11.5	1.1	—	**147.7**

Annex III

Mixed contribution assessment scenarios

15-country model (for illustrative purposes only)

				(a)	(b)	(c)	(d)	(e)	(f)	(g)
	Scale of assessments[a]			*Assessment scenario I based on period A single scale of assessments*[b]		*Assessment scenario II based on mix of multi-payment plan and multiple rates of assessment*[b]				
						Annual amount[b]				
Member State	*Period A*	*Period B*	*Percentage change*	***One-time assessment***	*Annual amount over 5 years*	*One-time assessment*	*Years 1, 2 and 3 at period A rates*	*Years 4 and 5 at period B rates*	***Total assessments =(c)+(3xd)+(2xe)***	*Variance =(a)-(f)*
Country A	0.00005	0.00006	9.1	**15 000**	3 000		3 000	3 300	**15 600**	600
Country B	0.00034	0.00039	14.6	**100 000**	20 000		20 000	22 900	**105 800**	5 800
Country C	0.00034	0.00048	39.7	**100 000**	20 000		20 000	27 900	**115 800**	15 800
Country D	0.00086	0.00080	(7.3)	**250 000**	50 000		50 000	46 400	**242 800**	(7 200)
Country E	0.00344	0.00451	30.9	**1 000 000**	200 000		200 000	261 800	**1 123 600**	123 600
Country F	0.00861	0.00657	(23.6)	**2 500 000**	500 000		500 000	382 000	**2 264 000**	(236 000)
Country G	0.01721	0.01972	14.6	**5 000 000**	1 000 000		1 000 000	1 146 000	**5 292 000**	292 000
Country H	0.03443	0.04320	25.5	**10 000 000**	2 000 000		2 000 000	2 510 000	**11 020 000**	1 020 000
Country I	0.10328	0.09016	(12.7)	**30 000 000**	6 000 000		6 000 000	5 238 000	**28 476 000**	(1 524 000)
Country J	0.34428	0.30052	(12.7)	**100 000 000**	20 000 000		20 000 000	17 460 000	**94 920 000**	(5 080 000)
Country K	0.00172	0.00141	(18.2)	**500 000**	100 000	500 000			**500 000**	—
Country L	0.00344	0.00402	16.8	**1 000 000**	200 000	1 000 000			**1 000 000**	—
Country M	0.03443	0.03193	(7.3)	**10 000 000**	2 000 000	10 000 000			**10 000 000**	—
Country N	0.10328	0.12058	16.8	**30 000 000**	6 000 000	30 000 000			**30 000 000**	—
Country O	0.34428	0.37565	9.1	**100 000 000**	20 000 000	100 000 000			**100 000 000**	—
Total	**1.00000**	**1.00000**	—	**290 465 000**	**58 093 000**	**141 500 000**	**29 793 000**	**27 098 300**	**285 075 600**	**(5 389 400)**

[a] Assumes that the scale of assessments will change at three-year intervals.

[b] United States dollars.